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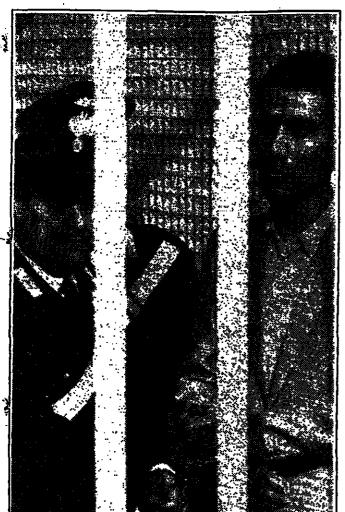
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No. 31,808

ZURICH, TUESDAY, MAY 28, 1985



Mehmet Ali Agea was escorted into the defendants' cage as the trial of seven persons accused of conspiracy in the shooting of Pope John Paul II began Monday in Rome.

-Aid for Anti-Left Rebels Gaining Support in U.S.

By Joanne Omang and David Ottaway

Washington Post Service WASHINGTON — The Reagan administration, supported and sometimes prodded by a broad range of members of Congress, appears increasingly willing to advo-cate aid to anti-leftist insurgencies in many parts of the Third World.

NEWS ANALYSIS

So far the support for these in-

all covert operations.

speeches has been accompanied by while everything else is up for independent papers and legislative grabs."
efforts in pursuit of that goal.

Mr.

those who are risking their lives — ment: conservatives' long-standing on every continent, from Afghanium at what they call U.S. stan to Nicaragua — to defy Soviet san to Nicaragua — to defy Soviet soviet fomenting of revolution. In rights which have been ours from birth," President Ronald Reagan said in his State of the Union address in January.

Similar statements have been made by numerous senior officials in his administration.

Congress, departing from its reeent history of opposing U.S. in-volvement in messy Third World conflicts, appears surprisingly eager to help out. Democrats in Congress have taken the lead in pushing for overt aid to rebels in Cambodia and Afghanistan.

Two Republican senators have proposed setting up a special office in the White House to coordinate U.S. aid to rebel groups opposing Soviet-backed governments in the Third World, from Indochina to southern Africa to Central America. Other suggestions would make such aid an overt program by switching control over it from the Central Intelligence Agency to the

Defense Department. But some officials worry that too formal a doctrine might cramp their flexibility, which now permits contradictory behavior in different cases. Nevertheless, there is general agreement that real content is slow-

INSIDE

The "Tenn-Tom," or Tennes-see-Tomibgbee Waterway, is finally open, and a lot of hopes are riding on it. Page 4.

■ Undecided voters appear to

be the key to Sunday's elections

Radio Marti's opening has

shaken up Cuba's monolithic

New films on the Vietnam

War have rewritten history, in-

dulging in a macho string of

fictitious victories. Page 13.

■ Crown Zelierback and Sir

James Goldsmith have said that

they will jointly restructure the

W European Community mem-

bership and the presidential election dominate Portuguese

Sports news page 14.

BUSINESS/FINANCE

SPECIAL REPORT

in Greece

ARTS/LEISURE

Page 6.

Page 15.

ly being given to a policy that is still

The "Reagan doctrine" was defined by Jeane J. Kirkpatrick, the former chief U.S. representative to the United Nations, at a May 10 luncheon. This doctrine, she said. "states the case for the moral supe-nority of democratic institutions," a superiority that is "nothing short of revolutionary."

Secretary of State George P. Shultz said in a recent article in Foreign Affairs magazine that "the surgencies is largely rhetorical, and the record of U.S. aid delivery is struggle of other peoples for freeing the Soviet notion that Commu-But a chorus of administration nist revolutions are irreversible

Mr. Shultz's statement reflected "We must not break faith with one of the roots of this developparent reliance on covert action alone as a response.

> William J. Casey, the director of central intelligence, noted the "good news" of widespread anti-Communist insurgencies in a January speech. Moscow is "spending close to \$8 billion a year to snuff out freedom" in Afghanistan, Angola, Cambodia, Ethiopia and Nicaragua, he said.

The West, he added, need not match this Soviet effort. "Oppressed people want freedom and are fighting for it. They need only modest support ... from nations which want to see freedom prevail." he said.

Insurgencies are fighting leftist governments in all the countries that Mr. Casey mentioned, plus Laos, Mozambique and Vietnam. Overtly, at least, the Reagan administration has moved as cantiously as any of its predecessors in providing aid, but it is starting its praise for the new insurgencies at the enthusiastic level that it took

(Continued on Page 7, Col. 1)

Starts in Pope Plot Convicted Turk

That He Is Christ By Michael Dobbs

Claims in Court

Washington Post Service ROME - The trial of three Bulgarians and four Turks accused of plotting with Mehmet Ali Agea to murder Pope John Paul II opened Monday and was interrupted by an outburst from the pope's convicted assailant in which he predicted the end of the world.

"I am Jesus Christ. In the name of the omnipotent God, I announce the end of the world. The world will be destroyed," shouted Mr. Agea, 27, a rightist Turkish terrorist who was convicted of shooting the pope on May 13, 1981. He is serving a

Mr. Agca's remarks, from a metal cage in the courtroom, were dis-missed by the prosecutor, Antonio Marini, as "stupidities directed at journalists." However, they were described by Luigi Consolo, a lawyer for the Bulgarian accused, as evidence that the Turkish gumman was "psychologically unbalanced." Mr. Agea later said that he was

completely sane. The prosecution case against the Bulgarians depends largely on the credibility of Mr. Agea who has

changed his story repeatedly.

Mr.: Marini asked for suspected
Turkish extremists in West Germany, France, the Netherlands and Switzerland with connections to Mr. Agea to be brought to Italy to

Most of Monday's session was taken up with procedural arguments between defense and prosecution lawvers over whether two of the accused who were formerly employed by the Bulgarian Embassy m Rome were entitled to diplomatic immunity. The court postponed a ruling until later in the trial.

Only four of the eight defendants were in the courtroom, a converted gymnasium previously used for major Italian terrorist trials. The remaining four are either in Bulgaria or in hiding.

. The case has been called the "tri-

(Continued on Page 2, Col. 3) charge.



A weeping woman huddles under an umbrella on the island of Sandwip, Bangladesh.

Iran and Iraq Step Up Air Attacks

MANAMA, Bahrain — Iran and Iraqi jets on Monday hit the Irani-the Iranian and Iraqi capitals last lraq stepped up air strikes against an border towns of Sar-e-Pol-e-Za-month. each other on Monday, with eight hab and Gilan-e Gharb, in the centowns reported hit on either side of tral-northern war front, while

A military spokesman in Baghdad said that Iraqi planes struck at selected targets in three Iranian towns, including Abadan at the IRANA received in London head of the Gulf, and in a military

and missile attacks on Iranian cen-turned to base, ters in retaliation for what it said was Tehran's involvement in Saturday, the UN secretary-general, Jaconfused and contradictory. It is also probably incomplete, because the public record does not include this tradition, we would be concedified by the fidal wave with a loss of 10,000 lives.

The paper said initial investigations for day, the UN secretary-general, Javier Pérez de Cuéllar, expressed returned our backs on this tradition, we would be concedified by the tidal wave with a loss of 10,000 lives.

The Baghdad spokesman said Mr. Pérez de Cnéllar visited both another wave attacked the oil cen-

ter of Abadan.
The spokesman said Iraqi planes IRNA, received in London,

quoted the Armed Forces Staff Command as saying that Iranian In Tehran, the Iranian news planes attacked the Irani towns of agency, IRNA, said that Iranian Diana, Ali al Gharbi and As Saplanes raided military and econom- divah after earlier strikes on Agrah ic targets in five Iraqi towns. ... and Koi Sanjaq — all within about Iraq ended an eight-week lull in 25 miles (60 kilometers) of the borthe air war on Sunday with bomb der. Both sides said all planes re-

Aqrah, Diana and Koi Sanjaq

are in the Kurdish mountains of northeastern Iraq while As Sadiyah is on their southern foothills. Ali al Gharbi is on the central front of the

Iran has accused Iraq of using Saturday's car bomb attack on the emir of Kuwait as an excuse to attack Iranian civilian centers. IRNA said that at least 13 persons were killed in air raids on Tehran.

In Kuwait, the newspaper Al-Anbaa said that security forces there had identified the car bomber as an Iraqi with a Pakistani pass-

civilian areas and urged restraint. (Continued on Page 2. Col. 5)

Disaster Toll **Continues Rising** In Bangladesh

By William Claiborne Washington Post Service

DHAKA, Bangladesh - Navy ships and aircraft intensified the search Monday for a reported 12,000 or more people missing in the cyclone and tidal wave that swept over the Bangladesh coast

It was the worst natural disaster here since the country became independent 13 years ago.

An estimated 250,000 persons, many of them fishermen and rice farmers who settled in thatched buts on relatively new islets created

Flooding in Bangladesh is an an nual phenomenon. Page 5.

by silting in the Ganges River del-ta, were believed to have been left homeless after the high winds and waves swept over seven islands near Chittagong, in southern Bangladesh.

There were conflicting reports of the number of known dead, with one district administrator's report giving an official toll of identified victims as 1,302. But a spokesman for the disaster control center here was quoted by news agencies as saying that 3,000 bodies had been recovered and that at least 12,000 people were still missing.

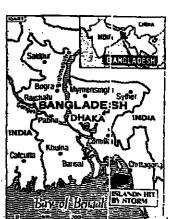
[The League of Red Cross and Red Crescent Societies said Mon-day that 40,000 people may have been killed, and it appealed for \$1.7 million in aid for victims, Reuters reported from Geneva.

["Our people there say the entire population of Sandwip, Pirbaksh and Pukiarchaga islands have been swept away," Richard Bergstrom. head of the Geneva-based organization's Asian division, said in a

Disaster control officials said the islands hit hardest were Ulichar, Sandwip, Char Clerk and Hatia, all located west of the port city of Chittagong. They said that Chitta-gong, for the most part, escaped amage as the cyclone pushed a tidal wave northeastward.

Authorities said 217 persons were reported to have died on Sandwip island. Early news agency

Bangladesh radio on Monday



100,000 for all of the seven stric ken islands, but there was no confir mation of that figure by rescue w orkers and the government.

Bangladesh's martial law k-ader. Lieutenant General Hussair 1 Mohammed Ershad, who tour ed the area by helicopter Monday, said it was the "worst tragedy in Bangladesh's history.

The Bengali-language di sily, lite-(Continued on Page 2. Col. 3)

Evacuation Cut Short in Beirut Camps

Compiled by Our Staff From Disputches BEIRUT — Real Cross vehicles entered one of Beirut's besieged Palestinian camps on Monday to evacuate the wou aded, but the operation was suspended after only half an hour.

Red Cross officials said the evac uation was called off when Shiite Moslem callitis,men ringing Borge Baraini camp threatened to stop and search the convoy of ambu-

The cease-fire lasted zero minutes," a Rec l Cross official said while explosions and automatic weapons fire echoed around Borge

Barajni. He declined to apportion blame for the premature end to the The evacuation operation has stopped be cause the Palestinians refused to liree some of our people who are held hostages inside the

camp," an Amal official said, adding that the release of at least three Amal fighters was a condition for letting in the Red Cross. The extient of the evacuation was unclear. Reuters said that eight

badly injured men were evacuated to the Druze town of Shweifat, south of Beirut. Unit ed Press International

quoted security sources as saying that four Red Cross ambulances and three cars carried at least 14 wounded, mostly women, out of the carnp, heading for Druze Moslem hospitals in the Chul Mountains sibove Beinil Reci Cross vehicles entered

Borge Barami twice before in the past week of fighting but were forced back by gunfire after remov-ing a handful of wounded. Alt/hough Palestinians who es

caped the camps said Sunday that residents, both guerrillas and civilians, were being shot indiscriminately, their reports could not be confirmed Monday by the Red Cross: or others. Paliestinian sources said that

hundreds of injured were trapped in the camps without proper medical care as Shiite Arnal militiame u and Lebanese Army troops foug ht to prevent any resurgence of Palestiniarı military power in Leban on. The Red Cross has been de nied (Continued on Page 2, Col. 2)

Gorbachev Asserts SDI **Will Thwart Arms Talks**

The Associated Press

MOSCOW - Mikhail S. Gorbachev said Monday that U.S. re-search into an anti-missile system in space would thwart disarmament efforts, and called on other countries to make space a peaceful frontier instead of "a source of death and destruction."

In a speech at a Kremlin luncheon honoring Willy Brandt, the former West German chancellor, Mr. Gorbachev said: "There are no people in the world who would not be worried by the U.S. plans to militarize space." He was referring to the U.S. space defense program, which is called the Strategic Defense Initiative by the Reagan ad-

ministration.

A text of the speech was carried by the Tass press agency.

In meetings Monday with Mr.
Brandt's delegation, Mr. Gorbachev characterized the first round
was ready for such a meeting, and that "preparations for this, or contacts about it, are taking place with the Americans," Mr. Bahr said. of disarmament talks with the He gave no further details, but

Soviet and U.S. statements that until next year.

"the first round brought practically nothing

Mr. Gorbachev's comments followed an editorial in Pravda, the Communist Party daily, that laid out Moscow's complaints about U.S. positions at the Geneva talks. Mr. Gorbachev's comments to

Mr. Brandt seemed designed to pressure the United States into revising its position at the second round, which begins Thursday. Asked whether Monday's talks touched on prospects for a summit meeting between Mr. Gorbachev and President Ronald Reagan, Mr.

Bahr said Mr. Brandt had asserted

that a meeting must lead to a reduction of world tension. Mr. Gorbachev indicated that he was ready for such a meeting, and

United States in Geneva as "com-pletely fruitless," according to reports that U.S. and Soviet offi-Egon Bahr, a disarmament expert cials were still talking about a in Mr. Brandt's Social Democratic meeting. U.S. officials indicated last week that Mr. Gorbachev and Mr. Bahr said it was clear from Mr. Reagan were unlikely to meet



Mikhail S. Gorbachev, right, greeted Willy Brandt on Monday at the Kremlin.

Will Stroessnerism Survive Stroessner? Paraguayans Debate the Inevitable

By Alan Riding New York Times Service

ASUNCION, Paraguay — There is no evidence that General Alfredo Stroessner, the 72year-old president, is ill or is planning to step down, but what comes after his rule of 31 years is suddenly the main topic of debate in Para-

The government has tried to limit discussion of the issue, arguing that the entire concept of "post-Stroessnerism" has been invented by opposition groups bent on agitation. "There is no such thing as post-Stroessner," an official said. But in a country where, in the words of a journalist, "the news is always the same,"

change is now being viewed as inevitable. "We're definitely in a pre-transition period," a foreign diplomat said. "Stroessner will stay in office as long as he wants to, but there is genuine widespread concern about what will happen afterward."

A number of factors have fed the debate. The return of civilian rule to three neighboring countries — Argentina, Brazil and Uruguay — has reawakened the dream of democracy here. The Central American crisis also constantly reminds Paragnayans of the problems that followed the abrupt end of the Somoza family's 45-year rule of Nicaragua.

"Regimes of this sort are factories for making Communists," a centrist critic of the government said. "They give the Communists all the banners they need."

President Ronald Reagan contributed to the uncertainty this month by including Paraguay, along with Chile, Nicaragua and Cuba, among Latin America's remaining dictatorships. The Stroessner government, which describes

Paraguay as a "democracy without commiwas stunned, blaming Mr. Reagan's advisers for his "unfortunate distorted con-The strongest shadow of the future is being

cast by the power struggle within General Stroessner's Colorado Party between traditionalists and militants whose influence derives entirely from their loyalty to the president. "The traditionalists believe Stroessner should step down in 1988, that seven terms in office are enough," a leading member of this faction said. "That is the best way of custing a smooth transition and preserving the Colorado

In contrast, the president's inner circle, headed by his private secretary, Mario Abdon Benitez, is said to be seeking control of the party, not only to nominate General Stroessner to an eighth term at its 1987 convention but also to determine his eventual successor

In public, both groups continue to pledge support for the president, with the battle largely limited to elections taking place in hundreds of party committees around the country. But in private the names of possible successors to General Stroessner are being juggled.

The president's son, Gustavo, 42, an air force major, is mentioned, although so far he has not been promoted as a public figure by his Both Mr. Benitez and Luis Maria Argaña,

the president of the Supreme Court, are suggested in different circles as possible civilian solutions, while no one writes off General Andres Rodriguez, commander of the powerful First Army Corps.

While not posing a direct challenge to General Stroessner, the debate has provided insight into the nature of his rule. Despite the appearance of one-man rule, it involves a partnership with the Colorado Party, the armed forces and local business interests, and all share the bene-

The importance of the party, in particular, distinguishes General Stroessner from most military strongmen. Membership in the Colorados — which literally means "the reds" — is a condition for joining the armed forces and police or for entering government service, even as a teacher or nurse.

The party, which claims 1.2 million members out of a population of 3.5 million, maintains offices in every town and village, which thus serve as a grass-roots vigilante network.

Although head of the party, General Stroessner nonetheless remains at heart a military man and has invested heavily in preserving the loyalty of the armed forces. Occasional dissidents are quickly purged, while the country's more than 100 generals and other top officers have been allowed to enrich themselves, in many cases through control of the lucrative

contraband business. Finally, business allies of the government profited handsomely from the burst of economic growth that accompanied construction of the huge Itaipu hydroelectric dam on the border between Paraguay and Brazil in the late 1970s and early 1980s.

This boom also brought changes of potential political importance.

"Enough filtered down to create a significant middle class," a foreign resident said, "the kind of people who travel, watch television and listen to the radio, people who know what's happening in the world. In essence, the country began to outgrow the political system."

The Stroessner government has, however, (Continued on Page 2, Col. 7)



General Alfredo Stroessner

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U.S. Diplomats Keep Hoping for Closer Ties to India

By Siteven R. Weisman N'ew York Times Service NEW DELHI - Prime Minister tended that his comments in Mos-

Rajiv Gandhi's enthusiastic overture to the Soviet Union last week has produced a shudder of disappointmen t among U.S. diplomats here. The se diplomats have been

NE WS ANALYSIS

engaged in the most aggressive attempt in years to improve relations between the United States and In-

But they and others said they were convinced that Mr. Gandhi would still use his visit to the Unit-



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LEITH SCOTLA

His first months in office gave

ed States in June to strengthen u.S.-Indian friendship. They concow were in most respects a predictable reiteration

long-standing policies. According to these experts, the prime minister's visit to the Soviet Union underscored his determination to chart an independent course, keep people guessing and advance a particular view of Indian self-interest, even if it means irritating those from whom he seeks economic or military assistance.

This was the practice perfected by Prime Minister Indira Gandhi, whose assassination last Oct. 31 thrust her son Rajiv into power.

In Moscow, on his first major overseas trip as prime minister, Mr. Gandhi concluded a \$1.15-billion package of trade and investment credits from the Soviet Union. He here. Some U.S. officials appeared credits from the Soviet Union. He also expressed gratitude for Soviet to wince at the Reagan hyperbole, apparently fearful that it would friendship and criticized the U.S. position on arms control and aid to

As Mrs. Gandhi did before him, opposed all interventions in foreign

countries. After years of weathering Mrs. Gandhi's bitter criticisms of U.S. policies, some U.S. officials were reported to have felt that Mr. Gandhi, who is 40, might be different. A senior U.S. official said recent-

ly that at Mrs. Gandhi's funeral, Secretary of State George P. Shultz India is Moscow's principal

trade partner among the less developed nations, with trade totaling more than \$3 billion a year. But India's largest trading partner is the delta area. the United States, with an annual On one of t

hope. Especially noteworthy were thorities were unable to say how

on Monday. Moves to end the

fighting, which has killed at least

250 people and wounded 1,000, re-

The Palestinians reject Amal's

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demand that they hand over weap-

nained deadlocked

bis promotion of an economic program that reduced taxes, tariffs and government regulations.

The government has tried in other ways to improve the climate for private investment and has negotiogy items from the United States. There appears now to have been

a backlash in New Delhi against the euphoriz generated in some cirdes by the belief that Mr. Gandhi traditional path of socialism and friendship with Moscow.

A comment by President Ronald nomic revolution in India" was widely disseminated and criticized

A senior U.S. official said last week that it was too soon to tell the prime minister had already like Mrs. Gandhi."

by the governing Congress (I) Par-

"There are two schools of thought," the official said of this reaffirmation. "One is that he is ated an important accord permitting India to import high technol- and that he really might have to go easy now. The other is that he was being awfully clever, feeding rheto-ric to his critics with no intention of

changing course." Despite Mr. Gandhi's chang was moving India away from its the Indian economy remains highly regulated. Taxes are so high and pervasive that half the country's economic activity is thought by Reagan this month in Madrid that some experts to have gone under-Mr. Gandhi might bring "an eco-ground, with payments made illicitly to avoid taxation.

In foreign policy, a senior aide to Mr. Gandhi said it was foolish of discourage Mr. Gandhi from doing nomic program portended a basic change in outlook.

of relations with the Soviet Union tions in Afghanistan, other than to say at a news conference that India opposed all interventions in foreign nounced. The official noted that changes, in part because they didn't

India in its conflicts with Pakistan and buge amounts of economic and military aid pouring in since the

Moscow is almost universally portrayed in the press and political circles in New Delhi as a loyal friend. U.S. aid to Pakistan is almost universally viewed as a threat to India. Few experts expect this to change.

Yet in recent weeks, some Western analysts say they have detected a slight but significant softening in tone by India. The shift is traced only in part to India's heightened interest in obtaining U.S. high technology for its military.

More important, senior U.S. diplomats say they discover a greater willingness by Indian officials to express misgivings, if only in private, about the presence of more than 100,000 Soviet troops in Af-"There was never any question

In conversation with Americans, Indian officials now reportedly contend that the United States has only been stiffening Soviet resolve He also asserted that U.S. covert to keep its troops in place, which aid to the Afghan rebels was keepleaves the assumption that the In-ing the Russians there.



Rajiv Gandhi

dians agree that the soldiers should be removed.

The Americans regard this as vast improvement over earlier arguments that the Russians were in Afghanistan because Kabul "invit-

But in an interview with Newsweek published Sunday, Mr. Gandhi reiterated the standard Indian formula, saying that Soviet troops had been invited into Afghanistan.

Progmen worked throughout Monday to locate bodies of more victims trapped in the sunken hulls of the two vessels. Officials have not determined the cause of the midmorning blasts but have conjectured they could have been set off by gases accumulated in one of the holds of the

WORLD, BRIEFS

20 Dead, 13 Missing in Tanker Blasts

ALGECIRAS, Spain (AP) — The death count from the explosion and fire Sunday that destroyed two tankers has reached 20, with 13 persons

Spanish flags flew at half-mast throughout the port as Monsignor Antonio Dorado Soto, bishop of Cadiz and Centa, said a Mass for the

victims among the crews of the Panamanian-registered Petragen One, the

Spanish Camponavia and workers at the refinery next to which the blasts

still missing, a spokesman for the provincial government said.

Ex-Mexico Police Aide Goes Into Exile

MEXICO CITY (WP) - The former director of one of Mexico's national police forces has left the country, apparently heading into voluntary exile after revelations of the force's involvement in drug

José Antônio Zorrilla, former chief of the Federal Security Directorate flew to Madrid on Sanurday, a day after the government signaled that it would not permit him to run for congress in elections July 7.

He had left his job as head of the directorate in early March, ostensibly to become a candidate for the Chamber of Deputies. But Mexican political sources have said he was dismissed as part of the current cleanup of police agencies. Mr. Zorrilla is the highest official reported to lose his job in the cleanup. More than 400 of the directorate's 2,200 agents have

Kohl and Mitterrand Meet Today

BONN (Reuters) - Chancellor Helmut Kohl of West Germany and President François Mitterrand of France will meet Tuesday to try to smooth out disagreements on issues including U.S. plans for space-based

Diplomatic sources said both leaders hoped the one-day meeting in the lakeside town of Constance, West Germany, would dispel impressions of a policy rift between the allies.

Last week Mr. Kohl toned down an earlier endorsement of President the Chittagong and Cox's Bazar area alone, half the dwellings and So research area alone, half the dwellings and so the Bearer endorsement of President Ronald Reagan's Strategic Defense Initiative. He appeared to be seeking not to distance himself from Mr. Mitterrand, who has refused a research area alone, but the Bearer of the Bearer o

Portuguese Leader Is Visiting Macao

MACAO (Reuters) - President Antonio Ramalho Eanes of Portugal MACAO (Reuters) — President António Ramalho Eanes of Portugal arrived Monday in Macao at the end of a visit to China, where he held talks on the future of the Portuguese-administered territory. The Chinese leader, Deng Xiaoping, told Mr. Eanes that the future of Macao would be settled easily through friendly consultation.

Mr. Eanes, the first Portuguese president to visit Macao, was handed the keys to the territory, which was founded 428 years ago. It was the first European settlement on the court China court. China and Bostonia.

European settlement on the south China coast. China and Portugal announced in Beijing last week that they would soon open talks on the stransfer of Macao to Chinese rule. Lisbon conceded sovereignty in 1975.

Terrorism Laws Proposed in Kuwait KUWAIT (AP) - Sheikh Saad al-Abdullah al-Salem al-Sabah, Kuwait's crown prince, denouncing the attempt last weekend on the life of Kuwait's emir, asked parliament Monday to issue anti-terrorist legisla-

The government will labor hand in glove with parliament to enact laws necessary for the protection of the country," Sheikh Saad, who is prime minister, said in a speech broadcast on radio and television. "It's high time we stood united to tell all, that although we are a small country, vision plan that President Ronald we are capable of confronting evil, subversion and aggression." He did Reagan is sending to Congress this

week will include proposals for special tax breaks for the parents of Sheikh Jaher al-Ahmad al-Sabah, killing three persons and injuring the private-school students and for emir and 11 others. The independent newspaper al-Anbaa said the car's businesses in designated poor driver belonged to the Islamic fundamentalist al-Dawa party. Security neighborhoods, Senator Bob Pack- officials said that more suspects had been arrested.

publican who is chairman of the East Bloc Is Said to Train Salvadorans

WASHINGTON (AP) - Documents said to have been captured from Salvadoran rebels six weeks ago indicate that the Soviet Union, Vietnam, Bulgaria, East Germany and Cuba have been providing training to the

State Department officials who made the documents available said the papers underscored the breadth of the outside assistance provided to the rebels. The officials spoke on condition of not being identified by name.

The documents did not specify whether the training was political or military, and offered no indication whether the training was part of a [Mr. Reagan told a group of pattern involving large numbers of insurgents or whether such instruction youths Monday at Disney World in has been given only on a limited basis.

For the Record

China and Britain exchanged documents Monday ratifying their agreement on the future of Hong Kong.

(Reuters,

Four Chasian civil servants convicted of defrauding the Bank of Ghana of 37.3 million cedis (\$700,000) were sentenced Monday to death by firing squad, the Ghana News Agency reported.

(Reuters)

Roque Carranza was named defense minister of Argentina on Monday to replace Raul Borras, who died Saturday. (AP)

The Future of Stroessnerism Is Debated by Paraguayans

(Continued from Page 1) Commission, said that compared to resisted political liberalization. In the mid-1970s, when there were December 1983, it allowed leaders more than 1,000 political prisoners, of the Popular Colorado Move- there was an apparent improvement to return home after 25 years ment. "But there is no repression in exile in Buenos Aires, apparently fearing they might be backed by she said. "And as soon as there is Argentina's new democratic gov-

But their movements in Paraguay are restricted - policemen on motorcycles follow them wherever called National Accord aimed at they go — and they have virtually coordinating their activities.

To mark Independence Day on

Democratic Party, Domingo Lamo and Luis Alfonso Resck, remain banned from Paraguay. The National Human Rights Commission, whose members suffer frequent harassment, said about 50 political prisoners were still being held, including Heriberto Alegre, a lawyer who has defended peasants in land disputes.

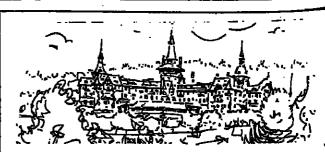
opposition, there is repression.

In 1979, the opposition parties, including the small Febrerista Revolutionary Party, formed a 50-

no access to the government-controlled press.

On the other hand, the influential leaders of the Authentic Radical Liberal Party and the Christian Democratic Party, Domingo Laino and Luis Alfonso Resck, remain leased from Daragonar. The Mo

to use the next two years to present Carmen Casco de Lara Castro, credible alternatives for the transi-president of the Human Rights tion."



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Rescue Efforts Are Under Way in Bangladesh

(Continued from Page 1) faq, reported that hundreds of surmatter and agreed to a major effort to woo Mr. Gandhi away from ladia's longtime friendship with the matter and agreed to a major effort to woo Mr. Gandhi away from ladia's longtime friendship with the mainland agreed to a major effort to woo Mr. Gandhi away from ladia's longtime friendship with the mainland agreed to a major effort to woo Mr. Gandhi away from ladia's longtime friendship with the mainland agreed to a major effort to woo Mr. Gandhi away from ladia's longtime friendship with the mainland agreed to a major effort to woo Mr. Gandhi away from ladia's longtime friendship with the matter and agreed to a major effort to woo Mr. Gandhi away from ladia's longtime friendship with the matter and agreed to a major effort to woo Mr. Gandhi away from ladia's longtime friendship with the matter and agreed to a major effort to woo Mr. Gandhi away from ladia's longtime friendship with the matter and agreed to a major effort to woo Mr. Gandhi away from ladia's longtime friendship with the matter and agreed to a major effort to woo Mr. Gandhi away from ladia's longtime friendship with the major effort to woo Mr. Gandhi away from ladia's longtime friendship with the major effort to woo Mr. Gandhi away from ladia's longtime friendship with the major effort to woo Mr. Gandhi away from ladia's longtime friendship with the major effort to woo Mr. Gandhi away from ladia's longtime friendship with the major effort to woo Mr. Gandhi away from ladia's longtime friendship with the major effort to woo Mr. Gandhi away from ladia's longtime friendship with the major effort to woo Mr. Gandhi away from ladia's longtime friendship with the major effort to woo Mr. Gandhi away from ladia's longtime friendship with the major effort to woo Mr. Gandhi away from ladia's longtime friendship with the major effort to woo Mr. Gandhi away from ladia's longtime friendship with the major effort to woo Mr. Gandhi away from ladia's longtime friendship with the major effort to woo Mr. Gandhi away from ladia's longtime friendship with the woo Mr.

formed within the past decade and only relatively recently became inhabited by fishermen and farmers who had been displaced by continuing erosion of the river banks in tions, many localities could not be giving water and biscuits to chil-

Western diplomats more cause for houses were swept away. The au-

camps, which Amal says it has controlled since Wednesday.

Sporadic shooting and explosions echoed from all three camps on Monday. Moves to end the many poince me camps. They are camps of killing Details of the layout of the tunnels, built years ago to withstand siege or air attack, had been drawn from Palestinian prisoners under interposition has said.

In the Sabra camp, where the fighting has flattened or gutted

(Continued from Page 1)

pope's native Poland.

attempt was mounted by the Soviet was completely sane. He said that

bloc in an attempt to suppress so- he was determined to tell the truth

The defense contends that Mr. tragedy in the history of mankind."

many people perished because to be moving through heavy seas to of cattle, creating potential health some of the missing may have fled reach the islands, and air force heli-hazards.

tlers were there," Tajul Islam, General Ershad's press secretary, said

On one of the islands, Ulichar, about 20 square miles (50 square kilometers) in size, 500 to 600 or three days to reach authorities. A disaster control cen- other victims. workers two or three days to reach lief operations said that the delta

most buildings, an army lieutenant said: "There are a few Palestinian elsewhere in the city. Many of them say hundreds of wounded are dying (UPI, R

Trial Starts for Agea, 7 in Pope's Shooting

copters ferried in medicine, food "Nobody knows how many set-ars were there," Tajul Islam, Gen-General Ershad visited Ulichar

on Monday in his personal helicop-Monday. But it is true many were swept away, maybe a fourth."

Because of the remoteness of the two victims. The state-run televireached by the district government dren and handing out clothing to

Witnesses returning from the reand the Bay of Bengal were littered Three navy ships were reported with thousands of bloated corpses

peared to have been gutted by

Iran and Iraq

Iraq.
The emir escaped with only

risoners in exchange.

fled the camps and their homes Many cars were burned, flattened

An official at the disaster control

80 percent of the crops were de-The authorities said that among

the missing were fishermen who had been out to sea when the cyclone struck and farmers who may have tried to flee to safety by boat as the storm developed.

General Ershad called off a scheduled state visit to China on

Red Cross Evacuation Is Cut Short in Beirut Camps Reagan Plan **Has Tuition** (Continued from Page 1) ons to a neutral militia and let the access to the Sabra and Charila army police the camps. They access to the Sabra and Charila army police the camps. They access to the Sabra and Charila army police the camps. They access to the Sabra and Charila army police the camps. They access to the Sabra and Charila army police the camps. They access to the Sabra and Charila army police the camps. Most of Sabra's buildings ap-

shelling, rocket fire or bullets. Roofs sagged perilously with de-bris. Walls lay on top of one anoth-By David E. Rosenbaum Up to 25,000 Palestinians have er like packs of playing cards. New York Times Service

Tax Credit

WASHINGTON - The tax re-In his testimony, Mr. Agea said acrested in November 1982 on wood said.

tion alleges that the assassination that he wanted to underline that he charges of complicity in the plot. Mr. Packwood, an Oregon Re-In testimony to investigators, cial and political upheavals in the about the assassination attempt Mr. Agea named Mr. Antonov as Finance Committee, was interwhich he described as "the greatest the driver of a getaway car in which viewed Sunday on a television prohe was to have escaped after the

Agea has been influenced while in prison by people with an interest in Sergei Ivanov Antonov, 37, the for-The president will begin his camlinking the Soviet bloc to the papal mer deputy director of the Bulgarian state airline in Rome who was an state airline in Rome who was plot to kill the pope.

day. The proposal itself will be sent to Congress on Wednesday. Step Up Raids

youths Monday at Disney World in Lake Buena Vista, Florida, "To-morrow evening I will address the nation about a dramatic new proposal to reform our tax system. It is a proposal intended to launch a new American revolution and to (Continued from Page 1) ic Call party, which is fighting for an Iranian-style government in give to you as you come of age a nation of ever greater freedom, vi-tality and strength." His remarks scratches, but two security guards were reported by The Associated

and a passerby were killed along with the bomber. The main elements of the plan, Iraq, meanwhile, sent home 30 wounded and sick Iranian prisonincluding lowered tax rates, increased personal exemptions and the abolition of many tax prefer-ences now enjoyed by individuals ers of war Monday under Red Cross supervision.
The chief of the Red Cross comand corporations, have been unoimission here, Franklin Thevenaz, ficially divulged by the president's said at Baghdad airport that a joint aides over the last two weeks.

Iraqi-Red Cross medical commis-As described in the president's fiscal 1986 budget, the unition tax credit proposal would allow parents of children in private elemension decided to send the POWs home without demanding Iraqi Mr. Thevenaz said that the POWs, most of them in their 20s, tary and secondary schools to subtract from the income taxes they owe half of their tuition payments, up to \$200 in 1986 and \$300 thereafter. The credit would not be would be handed over to Iran at Ankara airport under Turkish govenment supervision — the usual procedure for prisoner repatriations in the war. Iran returned 42 disabled Iraqi POWs last month. available to families with incomes

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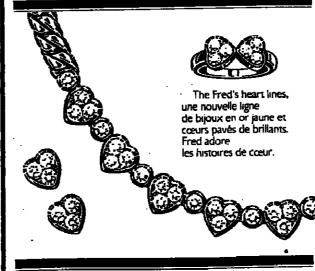
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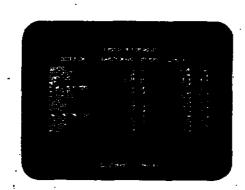
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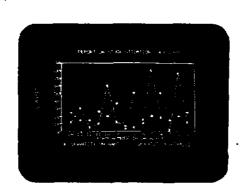
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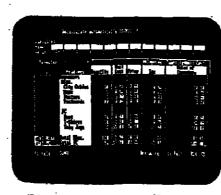
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increase," Mr. Cheng said.

wealth along its course.

past year.

operated by Dan Sanders, who said

his sales volume has doubled in the

formed upriver of the locks are

ing for the lock," said Mr. Swan,

whose enthusiasm for the Tenn-

Tom still burns brightly, "we were next to a great big yacht down all the way from Des Moines, Iowa. In

all my years, I never thought I'd see

Scientists Discuss

Threat of War at

U.S. Conference

Las Angeles Times Service

of global war is so great that people

all over the world need to rethink

their ideas about national security,

cientists were told here as the

American Association for the Ad-

way.

The role of the scientist in mat-

John D. Marks, executive direc-

or of the Washington-based

Search for Common Ground, was

chairman of a workshop session designed to challenge scientists to

think more deeply about the causes of international conflict.

Some participants, however,

nuestioned the value of such talk in

the United States if the Soviet peo-

ple do not have an equal opportu-

country's posture.

LOS ANGELES - The threat

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Long-Awaited U.S. Waterway Raising Large Hopes

By William E. Schmidt New York Times Service AMORY, Mississippi - Tommy Swan says he has been hearing it since he was a small boy: how the Tennessee-Tombigbee Waterway was going to turn the local economy around and bring jobs and peopie to this poor quarter of eastern

Now, after decades of congres-

Drug Agency, FBI **Merge Training**

WASHINGTON - Attorney General Edwin Meese 3d has announced that training for agents of the Drug Enforcement Administra-tion will be shifted to the FBI Academy in Quantico, Virginia, next year, moving the agency a step closer to a merger with the FBL Drug agents now are trained at the Federal Law Enforcement Training Center at Glynco, Geor-

Mr. Meese, who announced the plan Friday during a visit to Glynco, described the transfer to the Virginia facility as part of a process of building closer cooperation between the FBI and the drug

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will be formally dedicated in ceremonies this week across eastern vailed in Congress, powerful poli-Mississippi and western Alabama. ticians such as Senator John C.

northeastern Mississippi, to the L. Whitten, Mississippi Demo-Gulf of Mexico at Mobile, Ala-crais, carried the day.

Gulf of Mexico at Mobile, Ala-brough a 235-mile-long

But even as local boosters in bama, through a 235-mile-long (380-kilometer) system of locks and canals along the Tombigbee planned their celebrations, uncer-

be built, and I suppose we're going tion's costliest public works projto have to wait some more for the full impact to take hold," said Mr. Swan, 57, who owns Tommy's Men's Wear on Main Street. Other stores, left behind by time and the local economy, are empty now. But the jobs will come — they will come in time."

Since the 19th century, politicians and shippers had been proposing a canal through the shallow hills of northeastern Mississippi to connect the north-flowing Tennessee River and the headwaters of the south-flowing Tombigbee.
They argued that this would provide a shortcut for shippers bound for the ports of the Gulf of Mexico.

River that would save both time Opponents outside the region, including environmentalists, rou-

an alternative to the Mississippi

sional scrutiny and sharp public tinely characterized the project as a controversy, the 52-billion water-boundoggle. One likened it to boundoggle. One likened it to boundoggle. One likened it to boundoggle. One likened it to boundoggle on the bank and just waving at the boats way, in operation since January, building "a dirt road to the moon."

But in the end the South pre
But in the end the South pre
as they 90 by."

cent speech to a Rotary Club here, conding to David Cheng, an ecomomic researcher at the University of Alabama, that would mean creas they 90 by." But in the end, the South pre-

It links the Tennessee River, in Stennis and Representative Jamie

Amory and a dozen other towns tainty continued over the economic We waited a long time for it to benefits of what is one of the na-

Coal and agricultural businesses, expected to be the waterway's major customers, are in a slump, causing competitive barge lines on the Mississippi River to lower their rates. And many experts on the subject now say that early projections about the jobs the waterway would produce were overly opti-

Still, in such little towns as Amory, Aberdeen, Aliceville and Epes there is such keen competition for funds to duplicate ports, terminals, industrial parks and marinas along the waterway that some public officials have become alarmed that too many communities are trying to do too much at once.
"If we don't work together, plan ahead," Governor William A. Al-

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Some Fear That Rosy Job Forecasts for Mississippi-Alabama Project Were Too Optimistic

Not every community, he said, bama as the state has gained in the can have its own port on the last 15 years. Tenn-Tom," as the waterway is known locally.

Meanwhile, new studies suggest that shipping along the Tenn-Tom They argue that the waterway, by during its first year of operation cutting up to 800 miles off shipping may reach only about 15 million routes to the gulf from some Midtons, barely half what the Army dle Western cities, will in time draw Corps of Engineers projected nine more business and create jobs and

At that time, a study forecasting tonnage of 27 million in the first year of operation was used to help justify the huge expenditure of fed-eral tax dollars to build the water-

Work on the waterway, which began in 1971, was completed in December, 18 months ahead of

But changes in the world and mestic economy since the mid-1970s have skewed the original economic forecasts. The energy ghit has depressed the export market for Appalachian coal, which the Corps of Engineers once said would make up 75 percent of the waterway's tonnage. Now, experts dismiss as exagger-

ated the forecasts that the project would generate 135,000 new jobs in the region by the year 2000. Ac-

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"I'd settle for just a 30-percent But others remain optimistic. The one immediate benefit of the waterway so far has been in recreation. Amory now has three boat and marine stores, including one

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Claus von Bulow's stepchildren, Annie-Laurie von Auersperg Kneissl, center, and her brother, Alexander von Auersperg, right, with their lawyer, Michael Armstrong, as they urged Mr. von Bulow's former mistress, Alexandra Isles, to come forward and testify.

when he could walk across the Tombigbee, has bought himself a pontoon boat and his son a motor-Tast week, while we were waitg for the lock," said Mr. Swan, Key Testimony From Earlier Trial

By Jonathan Friendly New York Times Service

PROVIDENCE, Rhode Island When Claus von Bulow went on an my years, I never mought I d see
anything like that in Amory, Mississippi."

would be a reprise of the state's
case at his 1982 trial in Newport.

That widely publicized proceeding ended with the conviction of Mr. von Bulow, 58, a New York and Newport society figure, on two charges of trying to murder his wife, Martha, a multimillionaire, with insulin injections that caused comas in 1979 and 1980. The verdict was overturned on appeal. A new trial was ordered.

But this week, with the prosecu-tors under orders to finish their case Tuesday, both sides said that on a large number of issues the 151st national meeting of the state's case had been severely limitvancement of Science got under ed. The defense has vigorously contested, usually with success, a wide range of evidence and medical opinion that the jury heard in 1982 ters of war is a major theme in the weeklong conference that began without objection by the defense.

in one crucial example, the trial udge, Corinne P. Grande, barred the state from reading to jurors of the testimony three years ago from Mr. von Bulow's former mistress. In that testimony, Alexandra Isles, who is reported to be in Europe and has not taken the witness stand here, said she had told Mr. von Bulow twice that she would end their affair if he did not divorce his

nity to bring about change in their The judge has also told the prosecutors informally that without The convention includes a sec-Mrs. Isles's testimony they cannot tion on arms control and national tell the jury that the defendant would inherit \$14 million of his security, reflecting broad concern for the role of scientists in that wife's \$75 million if she died but area. Space weapons will also be might get nothing if he divorced

her. Thus the state has not been able to present evidence of what it says were Mr. von Bulow's motives, love and greed

[Mr. von Bulow's stepchildren, Annie-Laurie Kneissl and Alexander von Auersperg, issued a plea Sunday to Mrs. Isles, 39, to return and testify, The Associated Press reported from New York.

Later in the day, Mr. von Bulow said his stepchildren "have the right to speak on behalf of their mother no more than do I or Cosima," referring to his daughter by Martha von Bulow.] Henry Gemma Jr., one of the

prosecutors, said that while some rulings had merely removed evidence "on the periphery of our case," blocking evidence on love "cut closer to the and money heart. The chief defense lawyer, Thom-

as P. Puccio, said, however, "Through our efforts and rulings of the court, witnesses have been limited to testimony on what is admissible and proper."

In the Isles decision, the judge said that a transcript was no substitute for a living witness and that the state had not tried hard enough to find and bring Mrs. Isles to the witness stand When the State Supreme Court

said some evidence had been im- could not get enough air. properly admitted. This time, evidence has been struck that was not contested in the appeal. For exam-

Stock, Mrs. von Bulow's personal covering up for a misdeed.

doctor, and Gerhard Meier, the doctor who saw her at Newport Hospital in her second coma, from saying what they told the first jury, that they believed insulin caused the comas. Mrs. von Bulow has not recovered from the second come.

The judge agreed with the de-fense that the doctors did not have the expertise to state an approven conclusion about the cause. It is not clear why she limited Miss Schrallhammer's testimony because the decision was made in a session with the lawyers that was out of public earshot.

The judge has repeatedly indicated her concern that the jury not be swayed by prejudicial testimony. And in her chambers on the second day of testimony she told the prosecutors that she believed some of the testimony was unfair and that she was "holding this case together with baling wire." In another departure from the

first trial, Dr. Janis Gailitis, who treated Mrs. von Bulow in her first coma, switched from prosecution witness to the defense side.

At the first trial he said he had diagnosed the coma as resulting from a combination of factors in cluding low blood sugar levels that an insulin injection could produce. Here he said the patient had gone into a coma because she had overturned the 1982 conviction, it choked on her own vomit and

Then the judge forbade the doctor to read an exchange of letters he had had with Mr. von Bulow. After ple, the judge barred Maria Schrall-hammer, Mrs. von Bulow's person-letters, in which the defendant al maid, from saying that Mr. von asked the doctor to exonerate his Bulow gave his wife vitamin shots. delay in summoning medical help, The judge also stopped Richard seemed the work of a guilty man

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Black Rule the black majority must be given a say in government "at the highest repert kneiss, center, ad A. Wicharl Amstrong at

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arlier Trial excluded from Parliament. The

desire and cutting the Spring High of the Pat II Jahren there was the second with that they make that the first urday that it will permit members of different races to join the same the contract the ton Bayer receiptance from the well of in most greed with the times that the destroy define the Colonies of style to take enterior at the cont. their course with she himsely to he affir gromer a Colling. Course the of the Batter Water Batter property of the the standed (IS)

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the police out repeated; us," and "eventually I would say to and her content that the parthe highest level possible." the constant for branchess to Asked if he ruled out blacks ever an Jun o ha chappens sitting in the same Parliament as egenget eine in fleetigelie de whites, he said, "I don't foresee the take an evolutionary process, it is not for me to describe what will and the comment of the happen after the discussion had despettings with training ware heen completed." the entitles departmenting of ometical to the Garage the about Mire of the Bullet man. Militiaman Is Wounded County of the County of the County

By Rightists in Maputo United Press International English in the latter to the

Botha Says

Whites Will

Never Accept

The Associated Press

IV. Botha of South Africa says that

level possible" but that the white

mmority will never accept black

Botha said Sunday in an interview

televised in London. He said that

whites "will never accept a unitary

state in which they will be dominat-

ed by majority rule. We believe in

the principle of one person, one

vote as long as it is not in a unitary

South Africa's two other minor-

y racial groups, Asians and people of mixed race, can elect representa-

tives to separate houses in the

three-chamber Parliament domi-

nated by the five million whites.

But the 22 million blacks are

government views them as citizens

of tribal homelands and allows

them to vote only for tribal leaders

The government announced Sat-

political party. But the government

said it will continue to bar blacks

Mr. Botha said, "We must make

provision on as many tiers of gov-ernment as possible for them to take part and to have a say in their

own affairs, firstly." He said blacks

should "also have a say in those

matters of common concern with

.som voting for national offices.

and community councils.

"I rule out a unitary state," Mr.

LONDON - President Pieter

LISBON - Rightist guerrillas seriously wounded an unarmed militiaman in central Maputo early Monday in the first such guerrilla strike in the Mozambican capital, reports reaching Lisbon said.

Portuguese radio, citing official sources in Maputo, said the gunmen fired on the unarmed, off-duty militiaman on a central avenue and then escaped by car. the area on the growing at



Li Jong Yul, vice president of the North Korean Red Cross, left, is greeted by the South Korean chief delegate, Lee Young Dok, in Panmunjom in the Demilitarized Zone.

Koreans Discuss Separated Families

PANMUNJOM, Korea - The first North Korean delegation to visit Seoul in 12 years arrived Monday for talks on reuniting millions of family members separated since the Korean War. The Red Cross group — 14 delegates and advis-ers, 50 journalists and 20 attendants — walked

across the Demilitarized Zone at this border village 25 miles (40 kilometers) north of Seoul.

Seoul officials said they did not expect much progress to be made in the talks on Tuesday and

Wednesday because North Korea wanted to shift the limelight to its proposal for discussions on political issues.

But Lee Young Dok, the chief South Korean delegate to the Red Cross talks, said at Panmunjom that he would try to make the discussions productive and tackle substantive matters.

He said the first item on the South Korean agenda would be to try to find out which separated family members were still alive in the North and their addresses.

Bangladesh Floods: Annual Disaster

By William R. Green New York Times Service

NEW YORK - The high waves that raked the Bangladesh coastline future in 30, 40 years' time. If we and the spray of islands in the Ganges River delta this past weekend are a phenomenon that strikes the country annually, often destroying the homes and crops of hundreds of thousands of people and, occasionally, taking as many lives.

Thousands of islands are creat-

ed, swept away and recreated every year at the point where the brown waterways of the Ganges delta flow into the Bay of Bengal. These shift-ing islands, called chars, teem with farmers during the day who come to plant and harvest rice in the rich

It was from these islands that thousands of Bangladeshis were swept into the ocean Saturday by 10- to 15-foot (3- to 4,5-meter) waves created by a cyclone with winds as high as 100 miles per hour (160 kilometers per hour).

the high waves, called "tidal deaths were reported."

maputra rivers, and one-third of homes. the country floods annually as the country floods annually as "They get them annually," Ken monsoon rains cause the rivers to Comba, a meteorologist with the overflow their banks. It is also one of the most densely

crowded into 55,126 square miles 143,330 square kilometers).

and, after both, famine. On Nov. 11 and 12, 1970, a cyclone swept across the Ganges Del-

Bangladesh is especially suscep-tible to the ravages of cyclones and ation of 500,000 people, and 10

that race along before Last June, flooding was blamed them. Its landscape is broad and for the loss of 200 lives and the flat, cut by the Ganges and Brah-destruction of more than 50,000

U.S. National Weather Service in Washington said of the cyclones. populated countries in the world, "But depending on how they hit with at least 95 million people and where they hit, the casualty rate varies tremendously." Saturday's storm started forming

Every year is marked by flooding in the Indian Ocean at midweek, that destroys homes, scarce crops, gathering strength from the evapo-and lives. There are also droughts, ration of the ocean's warm water, and began moving slowly toward the Bay of Bengal, he said.

By the time the center of the ta and drove the sea far inland, storm struck land, just west of the flooding villages and killing at least capital, Dhaka, on Saturday, its winds were blowing steadily at 55 In April 1977, waves created by a mph, with gusts of 70 to 100 mph, tropical cyclone in the Indian along a stretch of more than 100 Ocean killed more than 600 people. miles, Mr. Comba said.

By Rone Tempest Los Angeles Times Service

PESHAWAR, Pakistan - Since the Soviet intervention in Afghanistam in December 1979, disunity and conflicts between resistance factions have plagued the Mujahidin fighting Soviet and Afghan government troops.

But rebel leaders hope that an

alliance formed here this month between moderate and fundamentalist factions will lead to greater cooperation. .That hope is shared by the U.S.,

Chinese and Saudi Arabian goveraments, which are expected to provide the rebels, under covert programs, with more than \$400 million in military aid this year. The alliance, called the Ittehade Islami Afghan Mujahidin, is com-

posed of the seven largest and most active guerrilla organizations. It marks the first time that all the leaders of the major groups, which range from extremist orthodox Moslems, akin to those in neighboring Iran, to Western-style secu-

shoora, or ruling council. "Never before have all gathered," said Dr. Farouk Azam, a senior leader in the moderate National Islamic Front.

Surgul Speen, a spokesman for the fundamentalist Islamic Party, said: "It is one of the most important actions taken in the past seven

Before the alliance, he said, no one could speak for the resistance

One of the main purposes of the alliance is to choose a single spokesman from among the seven leaders to represent the resistance in international forums, something that has been embarrassingly lacking in the last five years.

At least 37 organized rebel eroups are active in Afghanistan. They include royalists fighting for the return of Mohammed Zahir Shah, the deposed king now in exile in Rome; Persian-speaking Shiite Moslems; Maoists and obscure Sun Moslem sects. They represent dozens of tribes in remote and rugged regions, and they speak dozens of languages and dialects.

So far, no one person has been able to speak for their cause — the overthrow of the Soviet-backed regime of Babrak Karmal and the withdrawal of the estimated 120,000 Soviet soldiers in Afghani-

"There is no Afghan equivalent of the Palestine Liberation Organization," said a British journalist, Edward Mortime. 'No Afghan Yasser Arafat to appear as 'Mr. Afghanistan' on the front pages and TV screens of the Western world."

This lack of a single figure has worked against the resistance

the Afghan Information Center in the other, smaller groups will come that the alliance will last. the United States, said "it was very into the fold, although not as memawkward" when every rebel leader bers of the ruling council.

summer, the Pakistani government ply advantages in addition to pubordered the various Mujahidin orlic relations benefits. ganizations to move their offices outside the central business area of the Mujahidin would be able to Peshawar, this city in the North-consolidate and stockpile equip-West Frontier Province where most ment. of them had their headquarters.

The order was issued after a bomb thought to have been planted by one Mujahidin group exploded outside the office of the Islamic Party, killing four people.

More conflicts were reported inside Afghanistan. A prominent rebel leader near the southwestern city of Kandahar recently defected to the Communist government after losing his territory to a rival organization in a series of armed larists, have sat down together in a

In the face of an expanded Soviet offensive in Afghanistan, which this year for the first time did not relax in the winter months, Afghan leaders and Western diplomatic sources say there have been fewer cases of internal fighting and that field commanders are pushing for more united leadership from their Peshawar-based organizations.

"The Mujahidio tighters have been feeling so unhappy because of these divisions," said Rasul Tarshi of the Fundamentalist Islamic Society. "I can tell you that once this unity is achieved, the Russians will run away, leaving their weapons

There are, of course, other poten-



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Afghan Rebels Hope Unity Will Aid Fight movement in its pursuit of funds and equipment. tial benefits to having a movement hidin to help control the aid and to under one banner. The leaders of make it easier to keep track of the Barhauddin Mairooh, director of the seven major groups hope that money spent here, are skeptical

> was going to the United States and holding his own press conferences.
>
> According to Gulbaddin Hekton have a central spokesman. That matyar, leader of the Islamic Party, in itself would be a giant step for-On occasion, the competition for who announced the alliance at a ward. But if all this turns out to be money and attention led to vio- press conference here last week, the some kind of vague body put tolence between rival groups. Last alliance will have military and sup- gether for public consumption

> > Mr. Hekmatyar said later that

We should be able to simultaneously mobilize all our jihad forces in a united front against the Russians inside Afghanistan," be

Western diplomats, who have hoped for mification of the Muja- Reagan.

"It could be significant," one said. "It will probably allow them

Yugoslav Leader Goes to U.S.

The Associated Press **BELGRADE** — Prime Minister Milka Planine left Monday on a state visit to the United States. Economic issues are to be at the center of her talks with top officials, including President Ronald

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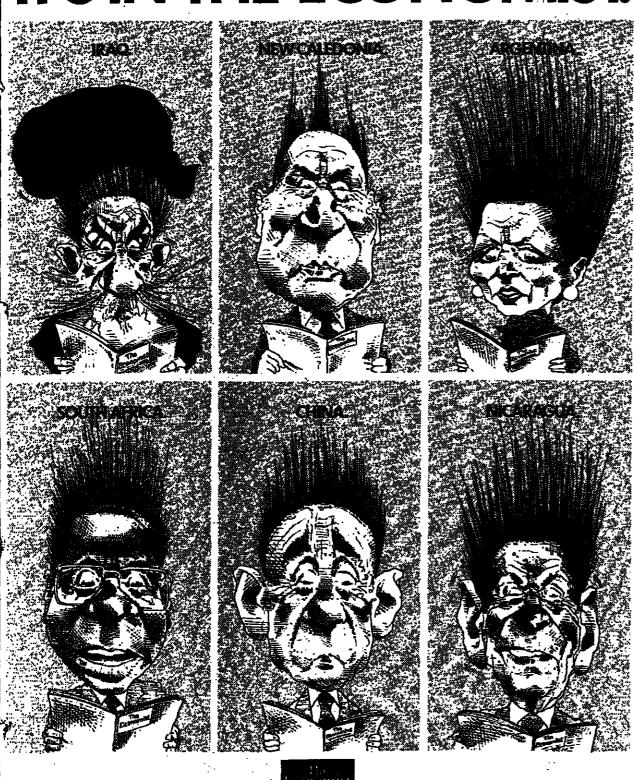
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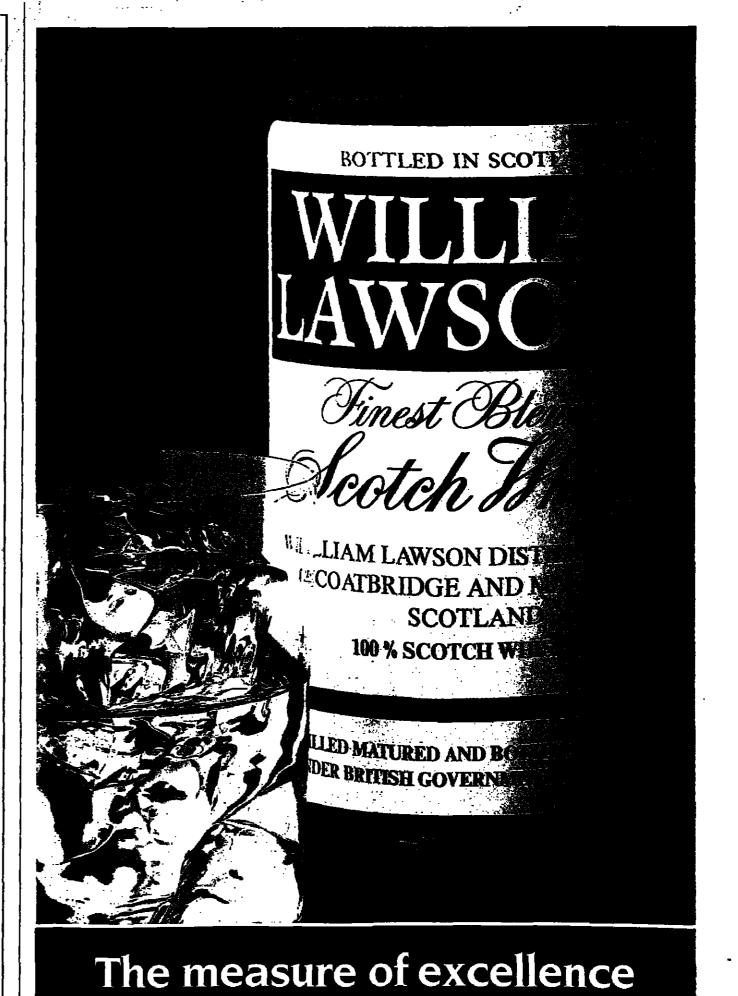
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Gain by IRA Political Wing in Ulster May Delay Peace Search

By Jo Thomas

New York Times Service LONDON — The latest exercise in democracy in Northern Ireland appears to have complicated a search by Britain and Ireland for a political solution to the Ulster vio-

Although both Britain and Ire-land would like to announce progress, they now agree that any meeting between their prime ministers on Northern Ireland is unlikely

A strong showing in Ulster's recent local elections by Sinn Fein,

8 Die in Naples Accident The Associated Press

NAPLES - A three-story apartment building collapsed in north-

nonviolent solution in the North interviews with Sinn Fein memwhile it still has some currency bers. there, and they want to keep Sinn Fein's success from spreading neither surprised nor impressed by south to the republic.

in the Irish Republic. And it has with Dublin. denounced the Irish government for "jailing, extraditing and censorthose in the uprising for Irish independence from Britain.

candidates have changed their election of 1984. names to include the words "Sinn

tion imposed by an Irish law for-The Irish want support for a bidding radio and television nationalist vote, and in other cities.

British officials said they were outh to the republic.

Sinn Fein's showing in the elections in Northern Ireland. And they prodates next month in local elections fess to see no effects on the talks The Northern Ireland Office had

predicted that Sinn Fein would win ing those who pursue the same aims 55 to 60 seats. By contrast, Sinn as the men and women of 1916" - Fein predicted 35 seats. It won 59. However, the party's 11.8 percent share of the total vote was Sing Fein's name is not allowed down from both the parliamentary on the ballot in Ireland, so all 122 election in 1983 and the European

Sinn Fein did not run candidates

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knowing you're okay. And everybody feels

good because an international call

costs less than anyone imagined.

the political wing of the Irish Re-publican Army, added to the un-tion as a means to break the isola-strong showings in Belfast, where talks on the province. its candidates got 52 percent of the

> Sinn Fein's success in the Assembly elections a year earlier set alarm bells ringing in the Irish Republic. where party leaders agreed they had to do something to keep Sinn Fein's success from moving south. It gave them impetus to set up the New Ireland Forum, whose proposed changes in political structure

Minister Margaret Thatcher, With this kind of support, Dublin analysts feel. Sinn Fein could expect next time to win three of the province's 17 seats in the British Parliament: West Belfast, Mid-Ulster and Fermanagh.

were ruled out last winter by Prime

It was the election of Mr. Adams throughout the province, but in the in 1983 as the West Belfast member ern Naples Monday, killing eight residents and injuring seven others.

Gerry Adams, president of Sinn places where it did run it took 41.6 of Parliament, Irish officials bepercent of the nationalist vote overlieve, that worried the British suffi-

Sinn Fein's success in the Assem-

bly elections a year earlier set alarm that the chances for this are, "at bells ringing in the Irish Republic, best perhaps, evenly balanced."
where party leaders agreed they
Recent signs that the British a had to do something to keep Sinn Fein's success from moving south. The top item on the British agen-

da for the moment appears to be security. Although this may entail cooperation with Ireland on the police, judiciary and prisons, it will not include change in the constitu-tional status of the North.

It is just this political framework, however, that the Irish believe must four police officers near the border accommodate Northern national town of Newry. An exchange of ists if they are to regard the security accusations later brought to light a forces as something other than an dispute that had been simmering army of occupation.

ministers will meet again without ern Ireland. The two chiefs are not first having good prospects for on speaking terms even though SELCCINCUL

Garret FitzGerald, the Irish prime minister, said at his Fine Gael party conference this month

Recent signs that the British are prepared to tough it out with the status quo deeply worry the Irish. Mr. FitzGerald warned that doing nothing would increase "the risks of disintegration of society in threat that such a disintegration would spread to our society also."

for two years between the chiefs of It is unlikely that the two prime police in the republic and in Norththeir forces cooperate.



Gerry Adams

Undecided Greek Voters May Hold Key to Election May Hold Key to Election Sam Numary budget, was Senator Sam Numary budget, was Senator Sam Numary of Georgia, the senior Democrat on the Senate Armed Services Com-

By Henry Kamm New York Times Service ATHENS - As the din of insult and accusation mounts to the climax of next Sunday's general elec-tions, about 15 percent of Greek

voters are still making up their They could decide the outcome between Prime Minister Andreas

NEWS ANALYSIS

Panandreou's Panhellenic Socialist Movement and Constantine Mitsotakis's opposition, the New Democracy Party, which is believed to

be moving up from behind. The latest polls, notably one by the magazine ENA, suggest that about 85 percent of the voters have made their decision and are split nearly evenly, with the Socialists leading by 3.2 percentage points.

Not many voters seem to be open slapped in the face during the civil war, he passes it on to his children," said a textile worker in a coffee-

common man struggling for justice in a capitalistic society ridden with economic and social privilege. They view New Democracy as the party of the privileged, intent on enlarging their holdings at other people's expense.

Mr. Papandreou, Greece's first leftist prime minister, is campaign-



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ing for four more years to expand his social welfare programs. His government has raised wages

and pensions, eased access to education, improved health care and taken control of some industrial enterprises without quite national-

izing them.

Mr. Mitsotakis contends that the Papandreou programs are ruining the economy and says that the Socialists intend to perpetuate them-selves in power by means fair or foul. Promises to remove onerous import duties from automobiles and to shorten military service are among his main vote-getting tac-

No matter how high the cost of Socialist measures, Greeks seem unworried about where the money they are spending comes from. With the economy stagnant and drawing no investment, most of it comes from foreign loans and the

government printing press.
The Socialists inherited \$9 bilto persuasion by campaign arguments. Party loyalties run deep in a nation still divided by memories of the 1940s civil war. "If someone got They have reduced inflation from the someone got the someone 25 percent to 18 percent, but that

rate is still more than three times the European Community average. Mr. Mitsotakis calls for far-To Mr. Papandreou's support-ers, the Socialists represent the omy. He would sharply cut the state's role and rely on market forces, he says. This would reverse both the Socialist approach and also the policies of Mr. Mitsotakis's conservative predecessors; they in-

> yond the European average. With the election close enough to raise the possibility of no party winning a majority, attention has turned to the pro-Moscow Com-munist Party, which controlled 13 seats in the outgoing 300-member

troduced state participation far be-

The Communists have been hardly kinder to the Socialists than to New Democracy. They are believed likely to drive a hard bargain, should a minority Papan-dreou government need their

Mr. Papandreou has mentioned the Western alliance only indirect-ly, as part of a populist assertion of said, was aimed at getting U.S. and Greek independence. Turkey has European military industries to replaced the United States as the start joint research on, for example, main foreign target, with Mr. Pa- self-guiding missiles and advanced

Senate Fund For Europe Is Attempt to **Update Arms**

By Joseph Fitchett BRUSSELS - A Senate plan to allocate \$200 million for cooperative weapons research between the United States and its European allies is aimed at helping NATO to obtain highly sophisticated con-ventional arms, a U.S official said

Monday.
The official David M. Abshire. the permanent U.S. representative to the North Atlantic Treaty Organization, said, "The plan is supposed to promote greater trans-Atlantic cooperation, more integration among European de-fense industries and a significant alliance savings in weapons research and development.

The sponsor of the proposal, an amendment to the 1986 military mittee. The measure was tentatively approved last Wednesday, and Senate leaders hoped to complete action on an overall budget this week. The House also must take action on the defense budget.

Mr. Nunn has frequently criticized European governments for failing to keep pace with U.S. spending to increase NATO's ability to defend itself with nonnuclear weapons. His proposal marked a change of tone.

The Senate defeated last year a bill sponsored by Mr. Nunn that called for a withdrawal of one-third of the U.S. troops stationed in Europe unless the allies increased military spending to maintain the U.S.

Mr. Nunn has said that the Unit-ed States should no longer assume what he believes is a disproportionate share of NATO's budget.

Mr. Nunn said last week that he was offering a carrot this year instead of a stick. But he added that he would watch NATO develop ments and that he had no intention of "allowing the situation to return to business as usual."

"Year after year, the U.S. has spent 2 to 4 percentage points more of its gross national product for defense than have our allies," he

Under the Senate proposal, the research funds would be available only to the extent that other countries agreed to match U.S. spending and to participate in specific pro-

Mr. Nuon said that in 1984. which he said was probably the year in which NATO collectively: speat the most, Warsaw Pact could tries outproduced the alliance in tanks, artillery, aircraft and ships by margins of from 2-to-1 to 5-to-1. He said that while NATO spends more, production standardization

gives the Warsaw Pact an advan-Another U.S. official at NATO said the United States hoped that support. Their declared goal is to European governments would par-deprive both main contenders of a ticipate in the Senate plan to overcome the lack of coordination The campaign has been virtually devoid of foreign policy debate.

The America-baiting that was important in M. Papandreou's 1981 wictory has been remarkably absent within time. of the NATO military command as

well as France. pandreou taxing his opponent with being "soft" on what is called "the national problem."

electronics for new fighter plane to be built in the United States and in Europe in the 1990s in Europe in the 1990s.

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Aid for Anti-Left Rebels Gaining Support in U.S.

(Continued on Page 7, Col. 1)

of the insurgents or the need to remove Marxist-Leninists from the Nicaraguan government. Instead, they cited only a tactical need: to stop Nicaragua from aiding leftist guerrillas in El Salvador, where the Reagan administration had inherited a substantial U.S. commitment

Gradually the terms changed. The goals became lottier. The rebels are now "freedom fighters" who need U.S. backing to achieve a democratic and Communist-free rebel groups are genuinely demo-government in Managua. Similar cratic and which leftist governgovernment in Managua. Similar descriptions are being applied to other countries' anti-Communist insurgents from the start.

A senior State Department offi-cial traced the administration's new approach to President Jimmy Carter's advocacy of human rights.

Don Wallace Dies; As 'W6AM' Spoke To Radio World

Los Angeles Times Service LONG BEACH, California Don C. Wallace, 86, a pioneer in radio communications and dean of U.S. long-distance amateur radio operators, died Saturday after suf-

Mr. Wallace had been in touch with more people in more countries than any other ham operator in the world since 1955, colleagues said

Using his W6AM call sign and broadcasting from his ranch dotted with antennas atop a ridge on the nearby Palos Verdes Peninsula, Mr. Wallace became perennial champion "collector of countries." champion concurred 365 places
By 1980, he had reached 365 places classified as nations by the American Radio Relay League.

A licensed radio operator by 1912, Mr. Wallace was chief radio operator for President Woodrow Wilson at the Versailles peace conference after World War L

■ Other Deaths:

Arnold Zohn, 60, the founder of Arno Press and a former vice president of The New York Times Co., Friday of congestive heart failure

Meg Casey, 29, believed to be the oldest survivor of progeria, a rare L. Armitage, assistant secretary of genetic disorder causing premature defense for international security

"We debated whether we had the years to attain for anti-government rebels in Nicaragna.

When U.S. officials first sought to justify helping the Nicaragnan rebels in 1981, they did not say much to Congress about the goals of the insurents or the need to

vidual people."

The current in-house debate, he said, has taken this a step further. There's a growing sense that peo-ple's rights include the right to determine their own form of government; that is, we don't have the right to subvert a democratic govto a government threatened by left-ist rebellion. enment, but we do have the right against an undemocratic one."

In pursuit of that proposition, the administration is already stepping gingerly into a gray area where it is not so easy to decide which ments are beyond some nonviolent

before his appropriations subcommittee on foreign operations.

Representative Stephen J. Solarz, a liberal New York Democrat,

offered six possible criteria, arguing that aid should be considered for groups fighting non-Communist repressive governments as well

as Communist governments.

The rebel group should be indigenous to the country, he said, and should be resisting a foreign occu-pier rather than an established, recognized government. It should have broad regional and international support that its government lacks, as well as backing in the United States. And U.S. military support should advance a significant American objective as well as

ated settlement. Under these guidelines, Mr. So-larz said, aid to the Nicaraguan don't quite fit, he said. rebels is not justified, because the government there is not a foreign occupation force. Aid to the African National Congress in South Africa and to the rebels in Angola is ruled out for the same reason, he

But Mr. Solarz sponsored the proposal for \$5 million in overt military aid to non-Communist Cambodian insurgents that has been advancing through Congress, because that group meets his stan-

dards, he said. In what several officials called the clearest statement yet of the administration's position, Richard aging Sunday in Milford Connect- affairs, told Mr. Kasten's hearing icut.

The enemy of our enemy will be



assured of our friendship if he shares our values in his opposition to our enemy."

He added, "Not every group that professes anti-communism de-

serves our support."

But he avoided listing criteria, saying that the decisions must be "What we're trying to understand is what the essential traits are distinguishing one group of freedom fighters from another," said Senator Robert W. Kasten Jr., a Wisconsin Republican, opening a May 8 on the subject with U.S. allies and before his appropriations subcomedom with under the decisions into the consideration of the subject what the decisions into the consideration of the subject was appropriate to under the decisions into the consideration of the subject what the decisions into the consideration of the subject what the decisions into the consideration of the subject what the decisions into the consideration of the subject what the decisions into the consideration of the subject what the decisions into the consideration of the subject what the decisions into the consideration of the subject what the decisions into the consideration of the subject what the decisions into the consideration of the subject what the decisions into the consideration of the subject what the decisions into the consideration of the subject what the decisions into the consideration of the subject what the decisions into the consideration of the subject what the decisions into the consideration of the subject what the decisions into the consideration of the consider should include consideration of the effect on U.S.-Soviet relations, he

> recipients should have a reasonable expectation that the aid will continue," Mr. Armitage said. "The struggle of anti-Communist groups takes place within and affects an international context in which the

stakes are very high."
Noel C. Koch, Mr. Armitage's principal deputy, said in an interview that Mr. Kasten's hearing was "a watershed in the policy process"

enhance the prospects for a negoti- trine and announce it to the world and it's definitive, it's also vulnerable" to damage from cases that

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Cuban Media Compete With Radio Martí

New U.S. Station Prompts Overhaul in Monopoly Broadcasting Service

By Colin McSeveny

U.S. government's Radio Marti began broadcasting to Cuba last week, it had jolted the Cuban media establishment out of a complacency fostered during almost 25 HAVANA - Even before the cency fostered during almost 25 Television presentation in gener-

The Voice of America, broad-larly in news programs, which now casting from a transmitter in the include such visual effects as split Florida Keys, says it intends to screens and moving headlines. offer Cuba's 10 million people an More emphasis is being placed alternative source of news and en- on consumer criticism and investi-

Since President Ronald Reagan sics of the Communist system refirst announced the station's cre- main inviolate. ation in 1981, media officials in
Havana have been busy.

One ironic effect of Radio

Ular, long-running serials from ular, long-running serials from

Marti is that it has made the Cuban non-Communist countries, includauthorities much more skilled at authorities much more skilled at selling their own propaganda," a West European diplomat said.
Television and radio services were overhauled, and Nivaldo Herra, the director of broadcasting more awars that they were necessarily and the services were considered to the services where the services are the director of broadcasting more awars that they were necessarily and the services are the services are the services and the services are the servi

rera, the director of broadcasting more aware that they were necesfor over a decade, was replaced by a young technocrat from President Fidel Castro's team of advisers. strictly under government control,

The improvements include the and not even light entertainment setting up of a round-the-clock ra- programs stray from the Commndio station with a new format of

Mengele Hunter Ejected From Hotel in Paraguay sian cartoons.

ASUNCION, Paragnay — Beate Klarsfeld, the Nazi hunter who is searching in Paragnay for Dr. Josef Mengele, the war criminal, says that she has been ejected from her ami.

Mrs. Klarsfeld led a demonstra-

The day the station began broad-"a watershed in the poncy process and that Mr. Armitage's statement was about as far as one could go in spelling out criteria for groups worship of U.S. aid.

The watershed in the poncy process and that Mr. Armitage's statement tion on Friday at which protesters two agreements when the carried a banner accusing President States: a Dec. 14 accord that virtually of U.S. aid. hotel manager accused her of "offending the Paraguayan people in told her to leave the hotel Saturday.



A leading comedian was sus-pended briefly from work last year after joking to children on his live

program that if they did not behave themselves he would put on Rus-

■ Havana Eases Resistance

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news programs, popular music, dures and would have allowed up The more popular of the two from the United States to Cuba.

Cuban officials also threatened to stop allowing charter flights to Cuba and to start a "radio war" with the United States by broadal has been made slicker, particucasting strong signals that would in Miami. interfere with those of U.S. commercial stations.

But these threats have not been carried out, and the Cuban charges that Radio Marti is "ideological gative journalism, although the baaggression, cynical and provoca- ply oil to Nicaragua, tive" have faded as the days passed.

The reason may be that Radio by the Cuhan exile community in

Marti programmers have reportto 20,000 people a year to leave, ed, for example, on protests in New and an agreement to return any York against the U.S.-backed Chil-York against the U.S.-backed Chilhijackers that diverted airplanes can regime of President Augusto Pinochet and on American economic problems. There have been none of the acid attacks on the Castro regime that are standard on

> On May 21, both Radio Marti and Radio Havana began their broadcasts with the same news item, an announcement that the Soviet Union had promised to sup-

the half-dozen Cuban-run stations

The two stations have duplicated many news items. A notable excep-Marti's message has proved mild in comparison with other Spanish-language commercial stations run reported on more events in the So-viet bloc.



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The Lebanese Graveyard

Two impulses arise from numbed contem-plation of the latest stage of the Lebanese horror show. The first is ceaseless wonder at the capacity of the Lebanese not only to inflict but also to endure death and pain. Tens of thousands of civilian casualties have been suffered over a period of 10 years of civil war, foreign intervention and terrorism, but the passion with which the struggle is pursued seems not to have abated. Anger at foreign intrusions outlasts foreign withdrawals and boils on, directed at fellow Lebanese.

Fantastic explosions of the sort that quickly drove American forces out of Lebanon happen again and again in Beirnt and are treated as routine. The other day, a car bomb killed about 80 people, including a group of children who were passing by. Who did it and why are unknown. The Lebanese reel under the impact; some of them, of course, vow revenge. Americans feel compassion but, fatigued, see no easy way to translate it into action.

Along with the wonder, there is among Americans a pervasive confusion about what is going on. The latest battle in Beirut illustrates the difficulties. Palestine Liberation Organization forces evidently were trying to re-establish

Sabra, Chatila and Borge Baraini - in the city's heavily Shiite suburbs. Amal, the Shiite militia, fearing that the re-creation of a Pales-tinian "state within a state" would draw Israeli reinvolvement, went in after the PLO.

The Syrians would like to trim all of Lebanon's militias down to size and assert their own hegemony, but in this instance, being close to Amai and also to some of the PLO units, they seem mostly to be letting the fire burn out. Not content to fight house to house, both sides have been firing artillery. The Shiites, who were outraged when Christian militiamen slaughtered Palestinians in Sabra and Chatila in 1982, are reported to have sent squads into hospitals to kill Palestinian patients.

Lebanon is a graveyard: for its citizens and their hopes of comity and for the plans of others to weave the political design of their choice. Whether the Syrians, the residual interventionists in Lebanon, have the touch (they certainly have the toughness) to make their design stick is the key question. The most Americans can do is to hope the Syrians end the killing, and meanwhile to mourn.

— THE WASHINGTON POST.

For Warriors, Not Wars

misremembering; but the observances of victory in Europe and failure in Vietnam are not the end of it. Still ahead lie the 40th anniversaries of the atomic bombing and surrender of Japan, and the 35th anniversary of the start of the Korean War. The memories of war are relentless, and for good reason: America has waged war in 42 of its 209 years, not counting endless battles against Indians and interventions in the Caribbean.

One year of war for every four of peace. That is reason enough to relish a decade of peace. The respite is a good time to ponder what America's rituals of memory ought to mean: For older Americans, war was a compelling and unifying experience. For younger adults, war was mostly hell. The country's wars have not been equally just. Americans' sacrifices in war have not been equally necessary.

Yet for too long over the last decade too many Americans have confused the soldier and his mission. Some let resentment against the most recent war turn into neglect of Vietnam veterans and disrespect for the military.

Even before Memorial Day, Americans had already done their share of remembering and tributes to Vietnam's warriors as support for the war itself. Though Americans owe their liberty and safety to many veterans of many wars, they owe gratitude and honesty to all.

Memorial Day should resonate with this obligation. It began in 1866, as an undifferentiated tribute to the Civil War dead of North and South Some say the annual decoration of war graves started in Waterloo, New York. Others say it started one week earlier in Columbus, Mississippi. The inspiration for both towns seems to have been the floral decoration of military graves in Germany, a custom the

world recently observed again at Bitburg.

America's involvement in Bitburg was a travesty because it let sentiment obliterate history and make reverence the enemy of truth. Yet every military cemetery does convey a universal message. Each is a monument to the organized ferocity of men, to their inability to curb their claims upon each other, to their failure to find peace except by means of war. Memorial Day ought to be for commemorating warriors, not wars.

- THE NEW YORK TIMES.



When Israel Does Business With the PLO

W ASHINGTON — In their meeting here this week, President Reagan and King Hussein of Jordan will be grappling with the same close questions raised by last week's exchange of Israeli prisoners of war for imprisoned Palestimans: Under what circumstances, and for what purposes, is it sound practice to do business with "terrorists"?

Let it quickly be said that the Israelis officially

Let it quickly be said that the Israelis officially reject the connection. Arranging by whatever means for the speediest possible return of captured means for the speediest possible return of captured Israeli soldiers is a thing apart. It is an article of faith, a government commitment Israeli fighting men carry into battle. Bringing the Palestine Liberation Organization, however indirectly, into the Middle East peace process, which is what Hussein and Mr. Reagan will be talking about, involves a very different Israeli article of faith.

Indeed, the United States is committed to the Israeli position that the PLO cannot participate in peace talks until it recognizes Israel's right to exist and accepts United Nations resolutions defining

the ground rules for any peace effort.

Yet the connection, and the contradiction, are self-evident. The agenda in the Reagan-Hussein talks turns precisely on the question of who will represent the Palestinians' interests in any new negotiations aimed at resolving the future of the Israeli-occupied West Bank and Gaza.

Who else might sit in (Egypt, for example, if the Camp David formula and the terms of the Reagan initiative in 1982 are to be observed) is far from clear. But the degree of association of the PLO, still officially designated by the Arabs as the "sole legitimate representative" of the Palestinians, is the nub of the matter. And there lies the connection with last week's prisoner exchange. Both King Hussein and the Palestinians can arene that IsraBy Philip Geyelin

el's strict terms for doing business with "terrorists" on questions of peace and security have been progressively whittled away by its unconditional readiness to deal, however circuitously, with the PLO and kindred organizations in order to recover Israeli prisoners of war.

The Israeli government denies it, insisting that last week's deal sets no precedent. The govern-

Not the least of the costs of the Lebanon invasion was the necessity ultimately imposed upon Israel to deal with the Palestinian guerrillas.

ment's increasingly clamorous critics answer back that it sets a terrible precedent. Prominent figures long familiar with Israel's professed counterterrorism strategy—dramatized by the Entebbe hostage rescue—claim that the exchange has undercut the argument that any appearement is an invitation to terrorism. Actually, last week's swap sets no precedent, because the precedent had already been set. Not the least of the costs of the Lebanon inva-

sion was the necessity ultimately imposed upon Israel to do business with the PLO. Even before the invasion, Israel had negotiated a cease-fire across its northern border - through intermediaries, but of necessity with the PLO. A captured air force pilot and an Israeli civilian were reformed to Israel as part of an agreement (arranged indirectly with the PLO) for evacuation

of the Palestinian guerrilla forces from Beirut. In November 1983, six Israeli soldiers held by the PLO were exchanged for 4,500 "detainees" in an Israeli prison camp in Ansar and 99 "terrorist" convicts from Israeli jails. Half of the convicts were doing life terms, and many were associated with especially notorious and murderous acts of terrorism. The main difference this time was that many convicted terrorists were released to return to their homes in Israeli-occupied territory; in 1983, the hard cases were deported to Algeria.

That the uproar in Israel should be much louder

now owes much to the inherent vulnerability of Israel's shaky coalition government. That shakiness could make Prime Minister Shimon Peres all the less willing to compound the "terrorist" issue by giving ground on the "Palestinian representa-tion" issue in the peace process. And it could make the Reagan administration even less willing to push. This would make it all the more difficult for King Hussein, who deserves more credit than he generally gets for his efforts to assemble a credible

Jordanian-Palestinian negotiating team.

Alternatively, the willingness of Mr. Peres to go through with the prisoner exchange is read by some diplomats as a sign of strength, reinforcing hopes that yet another small but significant move forward will come of the meeting between the president and the king "It's going to be an inter-esting week," says one official who, like others, does not pretend to know how the prisoner swap

will play out politically in Israel.

How it logically should play out is something else. If logic has any part in it, it is hard to escape the conclusion that Israeli resistance to doing business with the PLO has lost a good deal of its force.

Washington Post Writers Group.

The Pope, the Spy Master, the Unrelenting Judge

R OME — On the weekend that Pope John Paul II elevated 28 men to the rank of cardinal, Ilario Martella, an investigating magistrate, brought to trial the second of the men who appear to have conspired to kill

the pope on orders of the KGB. The man who fired the shot in 1981 that wounded the pope, Mehmet Ali Agea, was convicted and threatened with incarceration in a jail where he probably would have been murdered by his former employers. He chose instead to sing and to stay in a safe jail, and his testimony is central in the current trial of Sergei Antonov, man-ager of the Bulgarian airline in Rome, who-Mr. Agea says drove him to the site of the assassination attempt.

If a conviction persuades Mr. Antonov to cooperate as well, or if more information that implicates Bulgariat this trial, most people will rightly interpret the results as the first judicial condemnation of an intelligence agency for plotting the murder of a world leader.

In effect, the KGB is on trial. What makes this case even more disturbing is that the Bulgarian secret service — a servile appendage of the KGB — undertook this murder attempt at a time that Yuri Andropov, later the leader of the Soviet Union and mentor of its present leader, was the KGB boss. At the time, tyranny in Poland was threatened by Solidarity; the Polish pope was the union's inspiration; therefore it was in Rus-sia's interest to eliminate this pope.

By William Safire At first, this incredible case was

ignored by most of the press, deprecated on background by the CIA in Rome, and ridiculed by many in the West who did not want detente threatened. Suspicion of Soviet involvement could be lived with, but proof of "the Bulgarian connection" in the crime would make it difficult meetings with a Soviet leader who had the pope's blood on his hands.
That did not stop the investigating magistrate in Rome from following where the facts led.

Like an Italian Sirica (a redundancy, but apt), Judge Martella has plod-ded ahead, oblivious to political fallout, determined to show that no man, no group or no power can shoot a



"... and whose little doggy are you?"

A Republican Majority?

American politics, is again flickering in pundits' eyes. Noted politicians are changing parties, and it is natural to look to see whether voters are too. Last fall there was talk of a permanent Republican majority, and one could find some basis for it in poll results: More voters said they were Republicans and fewer said they were Democrats than at any time in the previous 40 years. But the elections produced the split result that is getting to be a habit: a Republican president, a narrowly divided Senate, a Democratic House. Earlier this winter, when President Reagan's popularity ratings were high, more people were saying they were Republicans. But this spring, in tandem with the drooping of the economy, Mr. Reagan's ratings and Republican prospects

nationally seem to have declined. Yet through all these vibrations in political popularity, there is evidence of a permanent change in one important segment of the electorate — white Southerners. From the Carolinas to Texas, identification with the Demo-crats dropped precipitously last year and has stayed at historically low levels this year. Most, though not all, of the recent party switchers from Kent Hance, who seeks the Texas governorship, to seven Louisiana legislators - are

Party has targeted three Southern states (plus Pennsylvania) in its \$100,000 drive to encourage voters to switch party registration.

The Republicans hope for the breakthrough that has eluded them since the 1950s. Southern states started voting Republican for president in those years, but they have declined to vote Republican in most congressional, state and local contests. The Republicans' chances now seem as good as they have ever been. A key test will be in a special election to be held soon to replace a conservative east Texas Democrat who is becoming a federal judge. Republicans are making a major effort there.

Of course few Southern House Democrats are changing parties this year, and only a few will vacate their seats in 1986; the Republicans are going to have to fight to make gains, and they will be handicapped, as they have been since the Eisenhower days, by a pancity of candidates with government experience and good political instincts. But they hope that once the Republican Party reaches a critical mass it will break through in the South and nationally to majority status. Such a break-through seems possible to an extent that almost no one expected even 12 months ago. -THE WASHINGTON POST.

Other Opinion

Tuning Down the Radio Wars

Cuban officials say Radio Marti is only a part of a larger plan to provoke a confronta-tion that Cuba can ill afford. Despite their fears, the Cubans say this is a matter of honor, and they will retaliate regardless of costs. U.S. officials argue that Cuban threats should not influence U.S. foreign policy. One administration official said Radio Marti repre-

sents "an international game of chicken and the United States will not blink." But if Cuba and the United States reached this flash point through radio, then a recipro-cal, step-by-step de-escalation is also possible. Tuning down the radio wars, in turn, could contribute to a de-escalation of the real wars in

the Caribbean basin. The first signal could be a timely turn-off for Radio Marti.

- John Spicer Nichols, a specialist in international communication at Pennsylvania State University, in the Los Angeles Times.

Alfonsin's New Realism President Raul Alfonsin [has placed] a new emphasis on Argentine responsibility for the errors of the past. He is not an economist. But he has shown an ability to learn, and to admit to learning. His increased realism will be put to the political test of congressional elections in November. Mr. Alfonsin faces a [grave] crisis,

but he deserves to succeed. --- The Times (London).

FROM OUR MAY 28 PAGES, 75 AND 50 YEARS AGO

1910: A Trainful of Trouserless Men GALESBURG, Illinois - "Porter, Porter! What have you done with my ... " "Porter. where are my trousers?" and so on in a deepening chorus from passengers on a Burlington train, which drew into Galesburg this morning [May 14]. It developed that a thief, probably at Beardstown, had entered the train and, not having time to investigate all the pockets, walked off with garments to explore them at his leisure. The extreme neglige of the bereft persons prevented their entrance into the dining-car, and there was much grumbling until a new supply, purchased at a nearby store, had been brought in by the porter. Few were proper fits, but they served the ends of propriety.

1935: Court Ruling Stuns FDR Aides WASHINGTON - The heart of the New Deal, the National Industrial Recovery Act, was dealt a crushing blow by the United States Supreme Court, which manimously ruled [on May 27] unconstitutional Section 3, which authorized the President to promulgate the National Recovery Administration codes through which the Administration kept a firm hand over business and industry. The sweeping verdict against the NRA left Administration leaders stunned and puzzled, since it appears that little can be salvaged from the act. The court held that Congress, in delegating to President Rooseveli power to promulgate codes, had exceeded its grant of authority.

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Closing the Trade Gap: A 20% Solution

By Henry Aaron

and Robert Lawrence

tain gain would be the risk of inter-national economic catastrophe.

national economic catastrophe.

Any improvement in America's trade position could be eliminated if other countries retaliated. No country would passively accept a 20-percent surcharge, because of the rules laid down by the General Agreement on Tariffs and Trade.

GATT arose after World War II because all major nations recogni

because all major nations recog-nized that the duration and severity

of the Great Depression had been greatly increased by the myopic ef-

W ASHINGTON — A truly atrocious idea is gaining strength here. Support is gathering for a 20-percent surcharge on all imports — although the real target is Japan. The appeal of the proposal is simple. America's international trade deficit in 1984 was \$107.9 billion. Japan makes it hard for foreigners to gain a toehold, much less a leading position, in its domestic markets; last year, the U.S. deficit with Japan alone was \$34 bilcit with Japan alone was \$34 bil-lion. In addition, the federal budget is awash in a seemingly limitless ocean of red ink.

A surcharge would seem to help with all three problems. A 20-per-cent surcharge could reduce the trade deficit by more than half and reduce imports from Japan by about \$11.5 billion. Also, it would raise federal revenues \$65 billion per year — if imports did not fall. So what is wrong with an idea that would produce such beneficial effects? The answer is: It would not produce these effects, but it would produce others, virtually all bad. A surcharge would do much less for the U.S. trade position than supporters claim, even if other countries did not retaliate. Though the added revenues would be useful because they would reduce federal borrowing and, through a chain of

prove, but probably not by much. The price of this small and uncer-

An import surcharge might bring a small gain, but only at the risk of international economic catastrophe.

forts of many nations — including the United States — to restrict imports and thereby export unem-ployment. The cumulative effect was a worldwide collapse of trade effects, tend to lower the trade deficit, the direct effect of a surcharge
— a drop in the demand for imported goods — would cut the number that it has a balance of payments

—a drop in the demand for imported goods — would cut the number of dollars spent on imports and thereby available to foreigners. As always, a reduction in supply would increase price, and a rise in the value of the dollar would hurt U.S. the sure of the awesome trade deficit. The problem for supporters of the proposed import surcharge is that the United States is currently running a balance-of-payments surplus, because capital inflows more than offset the awesome trade deficit. If the United States were to impose an import surcharge, it would grossly violate GATT rules.

No American should doubt that charge's effects on imports. The cit. If the United States were to balance of trade might well imimpose an import surcharge, it

other nations, and not just Japan, would object violently if the United States floated GATT. Domestic forces in these countries would drive them to fight back — farmers who fear cheap American grain and meat, financial institutions that fear competition from American banks, high-technology companies that know that the United States leads the world in many fields. Such retaliation would not only injure the United States but also threaten the entire fabric of world trade. The problems of trade and budget defi-

problems or trade and studget devicits, serious though they are, do not instify such a risk.

The proposed import surcharge is not even well-suited to solving these problems. The U.S. deficit problem is long-term and grows worse with time; a temporary sur-charge, a cosmetic Band-Aid, would do nothing to cure funda-

mental fiscal illness. Furthermore, the problem of the trade deficit lies not in Japanese trade deficit hes not in Japanese renophobia but in Americans themselves. The federal deficit absorbs most domestically generated net private saving, forcing America to go abroad for credit. The trade deficit represents, in large part, just the delivery of those goods bought

abroad on foreign credit.

Congressional leaders who want
to help American industry compete both at home and abroad should face the real problem: They should cut federal spending or raise taxes enough to eliminate the need to borrow abroad. In their frustration, they should not muck around with solutions that will not work and that may cause economic disaster.

human being in St. Peter's Square with impunity.

Now attention is being paid. Five

hundred journalists are here, trying to jam into "the bunker" — the court-CIA here, probably on orders from Director William Casey, has wisely shut up; no longer are American spooks passing the word that the murder plot was too unprofessional to be KGB-planned. (From the very start, it should be noted, the former CIA chief Richard Helms described

Nor can the Russians continue to remain aloof. Izvestia has been running a series, "Anatomy of a Provofront group to discredit the findings of the Soviet public," the editor of the and the Cuban missile crisis.

gingerly handled at first in the West, gained front-page legitimacy? Why are Western and Third World press hordes descending on the prosecu-tor's "bunker," and why is the standard Soviet propaganda machine being wheeled into line to blur and distort the emerging truth?

Because the story is no longer a subjects for a public charge of con-spiracy and the countercharge of provocation; they do not fiddle with the fuses of the future.

We are no longer facing what was to so many the unfaceable: what would have been the need to conduct a civilized diplomatic intercourse on matters such as arms reduction with a man we were in the process of branding a state terrorist. The KGB's Andropov is gone, replaced by a man who could strike the pose of innocent and say "not on my watch." Today it is safe to probe the conspiracy and popular to climb all over the story. No harm can come from the truth.

The Russians will claim that so long as no smoking gun is produced to link their former leader directly to the shooting to suggest his complic-ity is a provocative slander. The rest of the world will look to

see if a clear link to the Bulgarians is established. If so, it will be as if the KGB itself is convicted, and spy master Yuri Andropov will go down in history as the man who tried to per-petrate the crime of the century.

The New York Times

High-Policy * Crossroads For Reagan

By Flora Lewis

PARIS - President Reagan has some critical decisions to make this week, to report to Congress. On the surface, they seem technical — what to do about extending current strategic arms treaties with the Soviet Union and assuring U.S. compliance. According to press reports, the op-tions presented by advisers would undermine the existing arms control regimes and could lead to failure of the U.S.-Soviet Geneva talks before there is even a start on serious negotiations. This is an issue of highest policy. It could be one of those historic turning

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points that are noticed only when experts look back to see what went wrong after it is too late. The questions are whether to ex-tend the expired 1972 SALT-1 treaty on offensive weapons, whether to continue observing the unraufied SALT-2 treaty, which expires at the end of this year, and whether to dismantle a Polaris submarine in order not to violate SALT-2 limits when the

new Trident submarine Alaska starts sea trials in late September. The recommendations offered Mr. Reagan are couched in narrow terms, most of them based on the argument that the United States should refuse to sustain treaty provisions that it accuses the Russians of breaking. That would be a momentous decision, quite possibly the beginning of the end of all restraints on the arms race. It would undoubtedly reverse recent trends toward looking for ways of improving Soviet-American relations. It would distress allies who have been supportive of the United States in Geneva but who would certainly move skittishly aside if they perceived that Washington was to

blame for undercutting the talks.

The Soviet leader, Mikhail Gorbachev, has some crucial decisions coming, too. He clearly wants to revitalize his country's economy. The implications for foreign policy could be favorable. Easing world tensions could give him more locway for introducing reforms. But he might also come to the conclusion that agreement with the United States is not possible and that he should exploit heightened fears to impose the discipline and greater efficiency he wants in the name of patriotic sacrifice.

It is in everybody's interest, including the United States's, that Mr. Gorbachev make the first choice, with prospects for better East-West rela-tions. Both he and Mr. Reagan have said they want a summit meeting. Former Secretary of State Henry Kisroom built to resist terrorists. The singer has given the president public CIA here, probably on orders from advice for using the opportunity to launch a permanent dialogue un a "concrete and definite program" to reduce the risk of war.

There has not been enough work on major issues for a summit meeting this year that might produce important new treaties. But such a meeting the use of the Bulgarian agents to hire a terrorist in jail for this kind of job as "a classic KGB operation.") could be much more than a mere exchange of views, only if the president determines now to support and extend arms control, not to erode it. Otherwise, if there is a meeting at all, it risks deteriorating into the kind of cation." Moscow has established a dangerous shouting match President John F. Kennedy had with Nikita

literary journal Novy Mir, Vladimir The key accords available, in the Karpov, has formed a committee to defend Mr. Antonov.

Why has this story, so long uncouled in the Soviet Union and so calculate the Mr. Antonov.

SALT-2 treaty with possible modification of the calculate the Mr. Soviet Union and so calculate the Mr. Soviet Union and Soviet firm the Anti-Ballistic Missile Treaty while calling on negotiators to examine the controversial points of definition that are emerging, and to plan separate, continuing political talks on what each side means in saying that it seeks strategic stability.

The United States has serious

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questions of Soviet noncompliance to horror. Yuri Andropov, suspected of ordering the death of the pope, is dead. We are now dealing with the past: only attempted murder, merely state-directed terrorism. Those are fit and coding of signals from Soviet missile tests. But that consensus would evapo-

rate if the president took one of the options now that would amount to blowing up the treaties. What he has to consider is not whether tit for tat might be justifiable, but the likely consequences and chances for achieving agreed compliance by diplomacy.

The world has come far from the

The world has come far from the Eisenhower-Bulganin meeting in 1955. Secretary of State John Foster Dulles advised the president:

"You should maintain an austere countenance when being photographed with Bulganin. Any pictures taken of the two leaders smiling would be distributed throughout the Soviet satellite countries, signifying that all hope of liberation was lost and the resistance to Communist rule was henceforth hopeless."

Eisenhower sensibly did not pay attention. The "spirit of Geneva" led to solving some East-West problems.

Mr. Reagan should also keep his eye on the future. Congress and the country should encourage him to take the long view at this vital crossroads.

The New York Times.

The New York Times,

LETTERS TO THE EDITOR

Troubles in Uganda

The situation in Uganda continues to worsen. The most alarming trou-bles are in Luwero and West Nile districts and in Kampala, the capital Many innocent people have lost their lives and property under the

pretext that they are supporters or sympathizers of guerrillas.

These people are persecuted only because of their political beliefs.

Many have not participated in guerrilla activities but are members or supporters of the Democratic Party a popular party in opposition.

I recently visited Luwero and West Nile districts. People talked of harassment and torture by government soldiers. They said soldiers told them they deserved this because they were

supporters of the Democratic Party.

The government denies the accusations but prohibits the press and aid agencies from studying the situation in the troubled areas. I appeal to the international community to help save what once was the pearl of Africa. S.J.M. SSENDAGALA

Europe: The Enemy Is Us

Yes, Europe has had to fight the Germans, as Cynthia Cole says (Let. 4) Let., May 16). But it had to fight the French even longer. The Russians. meanwhile, will not go away. So let us hope Europe will continue to exist to defend its independence and culture.

EC Entry Will Help Modernize Farming

By Steven J. Dryden

BRUSSELS - Portugal might already be a member of the European Community if the negotiations on its terms of entry had not been tied to those between the EC

The agreement in March be tween Portugal and the EC came a full eight years after Lisbon applied for membership. If member states ratify the treaties of accession by the end of this year, Portugal and Spain will officially enter the community on Jan. I.

Community officials believe. however, that they could have completed the relatively uncomplicated negotiations with Portugal by the summer or autumn of 1983 if a political decision had not been made to finish the more difficult negotiations with Spain at the same

EC states, during the drawn-out negotiations with Madrid, sought to put off direct competition with Spain's fishing fleet and vigorous agricultural sector for as long as possible.

Protection was also sought from the few competitive Portuguese agricultural and fishing products. The comparatively low prices for Portu-guese sardines, for example, will be brought up to EC prices over a 10-year period. Limitations were agreed to on tomato products.

But in the final days, the negotiations with Lisbon were more often concerned with what the EC could do to help develop Portugal's backward farming sector, improve its industrial base and ease the cost of community membership.

As the poorest country in the EC its gross domestic product per capita, for example, is about \$2,500 - Portugal will receive an enormous amount of financial aid and substantial reimboursements dur-

ing its first years in the community. From 1986 to 1991, the EC will loan Portugal \$710 million as balance-of-payments aid. Portugal will also get back a substantial por tion of the value-added taxes and other payments it must make to the community treasury in its first seven years as an EC member. Community officials estimate that the reimboursement will total between \$710 million and \$1.06 billion.

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To combat the inefficiencies in Portuguese agriculture, the community has agreed to a 10-year, \$500-million aid program, designed to improve processing, packaging, marketing and statistics collection. A program of the same size has also been pledged for industrial development.

In addition, Portugal will be exempt from paying community levies on its large grain imports until

Community officials cautioned,

however, that despite these generous aid programs, Portugal will not benefit unless the government thoroughly reorganizes its bureaucracy.
"The administration will be forced to modernize, or they won't get anything," one official said. He added that one of the main reasons younger, more reform-minded embers of the government had pushed for EC membership was because "they knew they would never get these reforms without it." Portugal has been one of the nity's smaller trading partners. The total value of exports and imports with the Ten in the first nine months of 1984 was \$4 billion, compared with \$14 billion during the same period with Spain. In order to protect Portuguese industry from sudden competition with more sophisticated community producers, a general seven-year transition period was agreed to during which customs duties will be

gradually abolished. All quantitative restrictions in (Continued on Next Page)



Detail of a monument to Prince Henry the Navigator in Lisbon.

Europe: Returning to the Fold

By Kenneth Maxwell

NEW YORK - It is an indication of how narrow Europe's self-perception has become, and how historically shallow, that it should be necessary to justify Portugal's Europeanness at all.

As a nation-state, Portugal predates its neighbor, Spain, by 250 years, and Germany and Italy by 600. For almost 200 years, Enrope itself was little more than Portugal in the cyes of much of the rest of the world. Portu-gal's heritage of half a millenium as a colonizer, particularly in Brazil and Africa, has made the Portuguese language the fifth most spo-ken language on Earth. More than 65 percent of Portugal's foreign trade takes place within

Prime Minister Mario Soares, leader of the Socialist Party, has staked his political future on the European connection.

Nevertheless, Portugal is different, and it is important that Portugal's new partners understand the dimension of this difference if exaggerated expectations are not to create more problems than already exist as Portugal prepares to acceed to the European Comminnity on Jan. 1.

The writer, António de Figueiredo, attributes the apparent disjunction between de-velopments in Portugal and the rest of the continent to the fact that Portugal missed the great European revolutions of modern times, from the Reformation through the Enlightenment to the Industrial Revolution. But this is only partly true. Portugal was at times strik-

Kenneth Maxwell, program director at the Tinker Foundation in New York, has written extensively on Iberian offairs. He was a Gulbenkian scholar in Lisbon.

In the 18th century, the draconian Marques de Pombal tried to force march his countrymen into the future. In the process, he rebuilt the center of Lisbon in the aftermath of the 1755 earthquake along the lines of the of the 1755 earthquake along the lines of the most advanced town planning of the epoch. But in changing mentalities he was less suc-

During the 20th century, another dictator,

Coming to terms with Europe means also coming to terms with Spain, the traditional enemy which led the Portuguese to look overseas for friends and resources in the first place.

Salazar, took the opposite tack -- deliberately holding progress at bay in order to carry out his self-appointed mission of protecting the Portuguese from themselves and modernity. Even the revolution 11 years ago, with its euphoric springtime of hopes and red carnations, seems retrospectively closer to the popular movements of the 1840s than those of the 1980s.

It is difficult also to distinguish Portuguese rhetoric from Portuguese reality. In the last few weeks, for example, a leading rightist intellectual and politician has

ingly precocious in development, as in the age of the 15th-century discoveries.

praised the Moscow-oriented Portuguese Communist Party, which has consistently op-Communist Party, which has consistently opposed EC accession, as being the only politi-

> of this year, voted to invite a general to be their candidate (he declined), despite the fact that the Social Democrats had led the effort in 1982 to "demilitarize" and "Europeanize" the presidency by stripping another general, President António Ramalho Eanes, of some

of his powers. To many Portuguese, the system seems blocked, institutionally, socially and economically. While there are proposals for reform, few are confident that the political will exists

to carry them out.
Ironically, Portugal's European engagement represents a large psychological compo-nent of the crisis. Accession will mark the termination of a multisecular pattern in Portugal's international posture, a posture which has since 1415 been oceanic, directed overseas, turning away from Europe, and above all away from Spain.

Portugal is a small country with a large sense of vocation. To the elite, the New Europe seems constricted. To the population at large, especially those Portuguese who see their best hope in immigration, just as the formal doors of the continent open, the doors to potential workers remain closed. They paradoxically now look more than ever across

Coming to terms with Europe means also coming to terms with Spain, the traditional enemy which led the Portuguese to look over-(Continued on Next Page)

EC and Presidential Vote Dominate Political Life

By Ken Pottinger

LISBON -- The weather forecast for the Portuguese summer this year is long and hot for vacationers, and cloudy and stormy for the politicians, who are going through the usual preliminaries of a holiday-season political crisis.

Helping to stoke the incipient instability is a clash over who should support when the property and the property of the

should support whom in a vital presidential election race at the end of the year. The ensuing complica-tions are dominating the political scene. Another equally important topic, the fundamental changes that entry to the European Community will bring is also in the

Political optimists believe that after a long, tedious and sometimes faltering climb, Portugal is finally poised for its most notable advance in decades. Now at last, Portugal hopes to be a market mover.

Today, after the nation has tight ened its belts for the second straight year and suffered the effects of austerity with relative calm. there is an air of quiet confidence in the corridors of power. Economists say that with a trimmer debt line, Portugal is now attractive enough to encourage those who would belp transform this impoverished Iberian flank

Prime Minster Mário Soares leader of the ruling Socialist-Social Democratic coalition, sees the EC as the agent for the changes ahead that will make Portugal "unrecognizable within 10 years."

Without doubt, the completion in March of 100 months of tough and often delayed negotiations between the Community and Portugal was the political event of the year. The assurance that Lisbon will become the EC's 11th member on Jan. 1, 1986, is a triumph for Mr. Soares, who in 1977 first sought an entry ticket to this highly prized European club. He now is set to reap the political benefits.

But the relish with which this achievement is being savored tends to overlook some of the immediate difficulties facing the almost threeyear-old coalition, the longest-running government since the return of

leading rightist politician, Diogo Freitas do Amaral, declared himself in the race, His move caused consternation in the ruling coalition and seemed calculated to keep the political pot stewing throughout the summer. For he represents badly split by querulous factions the first serious challenger to the who, having badly handled the only other likely contender of any presidential issue, are unable to weight. Mr. Soares, leader of the stand the loss of face that support-Socialist Party.

While Mr. Sources is reserving for



Time for pause in the Parliament lobby.

later this year a formal announcement of his intention to run for the plining a party that has been founpresidency, it is widely accepted that he seeks the post as the culmi-nation of his political career.

Mr. Freitas do Amaral, formerly deputy prime minister in the defunct Democratic Alliance government, which under several leaders ruled Portugal between October 1979 and March 1983, pledges to revive the reforms and plans for modernization that were a cornerstone of the alliance of Christian Democrats and Social Democrats.

Mr. Freitas do Amaral, former leader and founding member of the democracy 11 years ago. Tensions Christian Democrats, expects to atbetween the partners over whom to tract support not only from his par- Amaral bears out the pollsters' tips support in the presidential election ty but also from those Social Demare growing ocrats impiacably opposed to long.

The problems were thrown into ocrats implacably opposed to Mr. sharp focus last month, when a speed up the disintegration of the current coalition, which is badly divided on the issue of the presideptial elections.

While the Socialists are already firmly closing ranks behind their leader, the Social Democrats are ing Mr. Soares would bring. Even Anibal Cavaço e Silva, their newly elected leader, a doctrinaire, admits

that he faces an uphill task in discidering ever since its charismatic founder, Francisco Sa Carneiro, was killed in a plane crash in December 1980.

The unresolved differences over whether to back Mr. Soares, Mr. Freitas do Amaral or an as yet unspecified party man for the presidential ticket is likely to cause a Social Democratic walkout from the government some time in the summer, precipitating an early general election.

Political analysts are suggesting be in the offing if Mr. Freitas do and wins the race. Both he and Mr. Cavaço e Silva were cabinet ministers in the "Democratic Alliance" coalition of Christian Democrats and Social Democrats, which took office under Mr. Sa Carneiro late in 1979. The two may, thus, be planning a revival of this alliance, a game plan that, if successful, would put the Socialists back into opposition and bring a rightist govern-

As currently constituted, the December presidential elections are likely to be a straight race between Mr. Soares and Mr. Freitas do (Continued on Page 11)

ment to power once more.

Recovery Measures Bringing the Wrong Kind of Bounce

gal's most popular pastime, accordunder way, will correct the situaing to statistics released by the potion.

billion target set by the IMF as part
of its standby agreement with Por-

Last year, businesses and individuals passed uncovered checks to the value of \$7.5 million, making this one of the commonest crimes currently on record. Police say the phenomenon is directly related to the prolonged economic crisis.

"It's a vicious circle," a businessman said. "Everyone is trying to account will only cover it if the incoming checks you have just deposited are good. Only one person on this merry-go-round has to de-government's predecessors. fault and everyone's checks

The overstretched rubber check has thoroughly discredited the sys-

Meanwhile, the government, too, tugal.

Meanwhile on economic improveThe turnsround was due mainly is betting on economic improve-Mário Soares's Socialist-led coalition faces two or possibly three elections this year and needs to win its votes.

Since mid-1983, Portugal has been gripped by recession brought Monetary Fund and designed to restore equilibrium to the pitiful economic chaos left by the present

produced stunning results. The current-account deficit in

LISBON — Bouncing checks hoping that tougher sanctions and deficit established in 1982, and now almost rivals soccer as Portu- an economic recovery, now getting around a third of the 1984 \$1.2 of its standby agreement with Por-

ment, but for different reasons, to a dampening of domestic demand coupled to a spirited export promotion drive, which won new elections this year and needs to win back public approval if it is to keep up by a remarkable 87.6 percent. machinery, up by 76 percent, and metal products, up by 70 percent. The overall performance measured stave off their creditors. You draw on by measures imposed under the in dollars improved by 14 percent a check to meet a bill but your watchful eye of the International while the level of Portuguese goods creased by more than 70 percent,

according to government sources. The growth in exports helped re-While the process has been both painful and politically costly, it has dollars between 1983 and 1984; the count. government expects there will be a

ity, imports fell by 4 percent in ductive investment, with manufac-dollar terms to reach \$7.3 billion in turers and public enterprises about 71 percent in 1984 compared

The picture was also rosier in emigrants' remittances, which recovered from 1983 declines.

Tourism in 1984 broke all recials, cords, bringing in \$900 million and 10 million visitors, the bulk from in dollars improved by 14 percent while the level of Portuguese goods United States in fourth place. Regoing to the United States in mittances from the 3 million Portuguese working abroad also strengthened in 1984, providing tic product, as against minus 1.5 nearly a third of total foreign exchange earnings on the current ac-

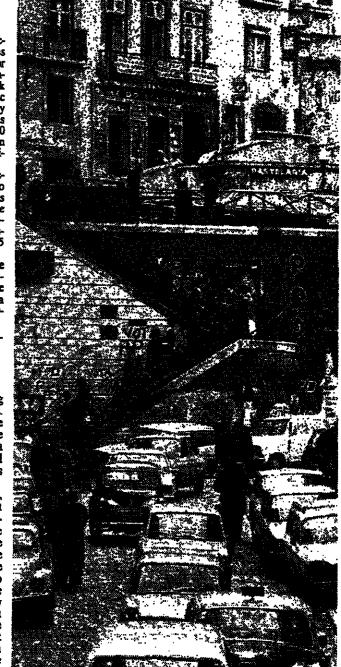
forcement officials alike. They are down from the \$3.2-billion record and the squeeze caused by auster-tion and a 20-percent drop in pro-

1984. Imports covered exports by running down stocks, delaying or canceling expansion plans or withwith only 46 percent in 1982, the holding wages from their work year in which Portugal's external-debt problem was at its zenith.

The picture was also rosier in church, social workers and unions regard to receipts from tourism and alike, has left around 150,000 workers without pay for months on end, according to trade union offi-

Satisfied that the national accounts are now finally returning to equilibrium, the government has planned a cautious stoking of the economy for 1985, projecting a 3percent growth in the gross domespercent for 1984.

To prevent a repetition of the ount. 1982 debt explosion, tight supervi-Much of the improvement out-sion of imports will remain. There further improvement this year. Due side of these two areas has been at are also signs that, helped by a tem, worrying bankers and law-en- 1984 shrank to \$472 million, way to the drop in domestic demand the expense of domestic consump- devaluing escudo, export perfor-(Continued on Next Page)



As the Recession Deepens, Right to Work Without Wages Becomes Reality Valongo, a once-thriving town just east of Oporto, balance accounts. The government says they owe forces to speed the collapse of companies surviving has been a stricken community since the 1,800 workers 40,000 workers \$24 million in wages and a further \$45 artificially on unpaid labor and government grants. By Peter Wise

VALONGO - Two years after the mills of the Cifaartificial-fiber plant fell silent, the time clock still rings out defiantly amid the lifeless machinery and rusting looms as a ragged line of workers punches in as usual for the morning shift.

There is no work and little future in the derelict northern factory where most of the men have labored all their lives making synthetic fabrics. At the end of this month, like the previous 27, the wage packets they take home will be empty. But they come to work undaunted, clinging to the remnant of a job rather than give up hope. These factory hands are among some 100,000 Portuguese workers whose wages come months late or not at all. Over the past two years they have emerged as some of the worst-hit victims of the political and economic convulsions that have shaken Portugal since the overthrow of fascism in 1974 and the loss of an African empire.

"It's a phenomenon that leaves foreign labor move-ments too amazed to offer any useful advice," said We have to accept that relying on main union sederations. "When we tell them there are tens of thousands of people working for employers."

About 700 companies, ranging from chemical complexes to small hotels, temporarily have erased the diseased areas of our economy." who cannot or will not pay, they are simply floored." salaries column from their ledgers in an effort to

Twenty-two local firms dependent on the rayon-producing plant are working at a small fraction of their capacity.

Some families are living on state sickness benefits of \$72 a month. Local doctors have certified several hundred healthy Cifa workers sick so they can claim welfare, a practice now common throughout Portugal. Other employees turn up regularly at the factory three people desperately want to keep their jobs." days a week for a five-hour shift.

"There's no work to do but they are determined to regular \$170 a month. He estimates that Cifa owes him

At an open forum organized by the pro-Communist CGTP-Intersindical labor federation, social workers and Roman Catholic priests from Oporto testified to Europe's poorest country, according to Mr. Sequeira. the social consequences of the nonpayment of wages.

employed at the Cifa factory stopped getting paid.

Twenty-two local firms dependent on the rayon-proment funds. But the CGTP-Intersindical claims emailer their natural death," said Vitor Ramalho, the more than 150,000 workers.

Mr. Sequeira of the UGT said the prospect of joining half a million unemployed had driven workers threatened companies into making sacrifices: "However bad the conditions, however late the pay,

According to law, if a worker does not show up for his job just because he is not being paid; he can be hold down their jobs," said José Moreira, who has fired. But, in any case, companies will not certify that stayed on as a night watchman for less than half his ly illegal. And if he quits on his own, he cannot apply for unemployment benefits.

Resolving the economic problems that have led to this situation are among the challenges facing Western "It will be a long and difficult course that depends ultimately on securing sustained growth," he said. We have to accept that relying on the government to bail out stricken companies would only worsen the

Economists agree on the need to allow market

ployers are in debt by several times that amount to secretary of state for labor. But a more urgent concern is dealing with what he called the "brutal social impact" of nonpayment of wages and the hardships

they are inflicting on thousands of families.

A key economic factor, according to Mr. Ramalho, has been the failure of heavy industry, much of it geared to past colonial wars, to convert to new realities. Also, the constant turnover of governments since 1974 has subverted effective state liscalization of the economy. In this climate, an 18-month austerity drive aimed at averting a foreign debt crisis has dealt the fatal blow to many ailing companies, Mr. Ramalho said several firms, including the Cifa plant, were legally alive but economically dead. "Study after study by the banks that are its main creditors has shown that Cifa is not a going concern as it is now constituted," he said. But those same state-owned banks have not sought the liquidation of Cifa or other companies in similar staits. Economic analysts say this is because many banks would be in a precarious position if they were forced to recognize the uncertainty of the vast amounts of credit extended since they were national-

Election slogans on a Lisbon street.

Ready-Made Clothes Fit the New Textile Industry

By Martha de la Cal

LISBON - "Within a few years, Portugal will be the biggest producer of ready-made clothes in Europe. after Italy," says Jorge de Lemos da Costa, general secretary of the national association of garment in-

Ready-made clothes and knitwear already represent 50 percent of all Portuguese textile exports, \$698 million of the total \$1.224 billion in 1984. This represented an increase of \$118 million over 1983.

The ready-made clothing industry has shown outstanding growth since 1977, when a group of clothing manufacturers backed by the ernment's export development fund set up Portex, an organization that spousors trade fairs. The manufacturers wanted to show foreign buyers that the industry was "alive and well in Portugal" in spite of the turmoil and labor trouble that had marked the period immediately following the 1974 revolution.

The first trade fair, in Oporto in 1977, was a success. In 1979, there were two fairs, one for knitwear and ready-made clothes, and one for household goods. In 1980, a spring/summer show and a fall-/winter show were added. By 1984, the Portex fairs were attracting more than 4,000 buyers from 50

There are several reasons for the growth. First, Portuguese textiles have shed their old-fashioned image and the companies are produc-ing the latest fashions for foreign designers and retailers, who come to Portugal to orient the local designers and to place their orders. We furnish what others want," said Mr. Lemos da Costa.

The Portuguese manufacturers have also diversified and improved quality. Men's pants and shirts are no longer the main exports, as they were in the 1970s. There is now a wide range of stylish clothing for men, women and children, and the manufacture of sportswear and knitwear is increasing rapidly.

Probably the biggest selling point for Portuguese clothes is that they are relatively cheap. Low wages make it possible for manufacturers to produce clothes for their foreign customers at prices far



A textile factory in south Lisbon.

sales of \$8.6 million. The factory is

located in an enormous, reconvert-

ed turn-of-the-century mansion

decorated with Portuguese tiles and

set in well-tended gardens with

At first glance, the factory would

appear to be somewhat old-fash-

ations are almost totally computer-

has plans for a five-story ware-

There are other companies that

The Maconde enterprise is the

biggest producer of men's clothing,

while the Kuispo group is the big-gest exporter of sportswear and ski

clothes. Another big exporter of men's clothing is Supercorte Pro-

fato. The Nobreza company, which

represents the Macgregor brand in

Portugal, makes shirts and blouses

are larger and more nearly corre-

spond to those in more industrial-

house on the premises.

ized countries.

duce them abroad. Also, Portu- clothing factories. It was founded guese manufacturers can turn out 38 years ago by Mr. Rua, who still quite small quantities, deliver them runs it with his two sons. It ranks among the top 50 ready-made clothing companies with annual quickly and be ready for the next

Alexander Pinheiro, president of the textile association and of Portex, says, "We can put a new prod-uct on the market in two months with the changes of color and style for each season. Our geographical fountains and statuary. It has 200 position near consumer centers women working on various floors permits us to deliver in a short cutting on long tables or sewing

The ready-made clothes industry has 530 factories employing 50,000 workers and the knitwear industry has 500 factories with 30,000 workers out of a total of 2,000 factories and 300,000 workers in the entire textile sector. Most of them are small or middle-sized family enterprises with an average of 50 workers. More than 70 percent of the factories are in the north of the country around the cities of Oporto

Some regions depend totally on textiles. Consequently, a crisis in the industry is a social problem. The factories are a mixture of the old and the ultramodern in methods and equipment.

The Anionio M. Rua company in Oporto is typical of Portugal's

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95 percent of the internal market. Only \$20 million worth of ready--made clothes and knitwear were imported in 1984. A total of \$522 million worth of textiles were imported, mostly cloth for use in producing ciothes for export to the countries of origin. Sixty percent of ready-made clothing and 40 percent of knitwear are exported. Textile exports have had an annual growth rate of 20 percent since 1973; they are Portugal's greatest source of foreign exchange

In spite of its growth and innovations, Portugal's textile industry has severe problems. The main one is financial. The cost of credit can go as high as 46 percent and inter-

"This severely hampers companies when they want to expand and to revamp their machinery," says Mr. Pinheiro.

Poor transportation and commu-nications facilities are also a hindrance. Labor laws that prevent firings are a handicap to the industry and a source of contention with the government. Another limiting factor are the quotas imposed by other countries on Portuguese textiles. The recent agreement with the European Community was unfavorable to Portuguese producers because the quotas were based on 1976, a bad production year.

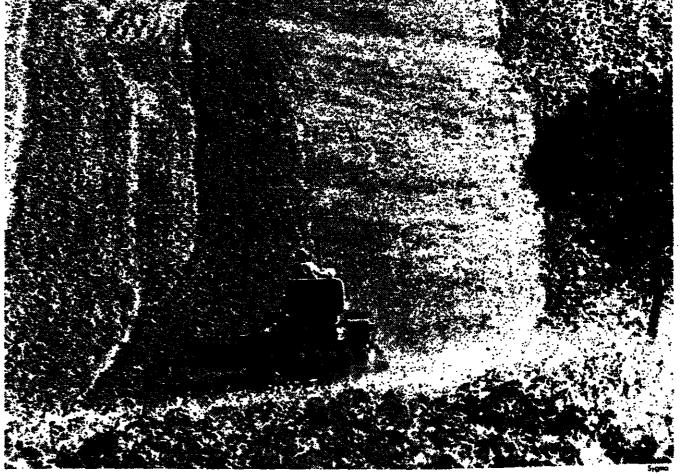
Portuguese companies also fear that, with Portugal entering the Common Market next year, foreign companies will move into Portugal to take advantage of the low labor costs and the EC markets.

"We are not going into the EC," said Mr. Lemos da Costa, "the EC is coming into Portugal." ioned. That is not the case. Its operized. It is expanding constantly and

His fears are shared by Mr. Pinheiro. "If there is an opening up of the industry to many new compa nies, it will lead to the collapse of many existing ones and will cause social problems," he said. The EC and European Free Trade Association countries are already the principal importers of Portuguese textiles. In 1984, those countries accounted for 86 percent of Portu-

gal's textile exports. Portuguese producers find the American market difficult to penetrate because of its size and the protection granted to local producers, although exports to the United States increased in 1984.

Portuguese producers are also concerned because some foreign companies are planning to move their operations from Hong Kong and other points in the Far East to Portugal. Mr. Lemos da Costa said: "We don't believe that companies that want to use Portugal as a springboard for Oriental products to Europe and the U.S.A. should be allowed to come into Portugal."



Common Market Access Will Update Agriculture

(Continued From Previous Page)

one important category, imports of motor vehicles from the community to Portugal, will be dropped by the end of 1987. Another restrictive requirement, for the licensing of imports and exports, will be abolished as soon as Portuguese membership begins.

Within the community. West Germany, France and Britain have the greatest amount of investment in and trade with Portugal. Their companies in Portugal, concentrated in chemical, automobile, electrical equipment and ma-chinery production, are mainly geared toward grate to Luxembourg after accession. export, taking advantage of Western Europe's owest average wages.

West Germany in particular is seen as being eager to expand commercial relations in the next few years. West German trade officials indicated they would maintain pressure on Por-clude France, Italy, Spain and Greece, ruguese authorities to liberalize their investment trols on movement of capital for up to seven

Luxembourg. Its officials haggled over this creased agricultural spending, which would threatened

of 366,000 is composed of Portuguese workers

The Luxembourg authorities won a special exemption from the overall accession agreement on worker rights, allowing the continuation of restrictions on access to employment for 10 years, compared with a maximum of six years for other member states. Luxembourg was also allowed to keep tight controls on the change of employment by Portuguese workers who immi-

The immediate effect of Portuguese membership on many EC policies will be slight, commu-nity officials said. The effect of entry is better measured by viewing Portugal as part of an enlarged "Mediterranean lobby" that will in-

Portugal's underdeveloped agricultural sector licies as quickly as possible. Under the terms is not expected to produce the huge surpluses. of entry. Portugal will be allowed to keep con- common to other EC nations, that boost community spending each year on farm supports. But Portugal's need for agricultural develop-One of the more difficult aspects of the acces-, ment assistance makes it a natural ally for the If the majority of the newcomers are Socialists, sion negotiations was the question of how fast to other Mediterranean nations. Together, the as is expected, the fragile, four-vote control

question with the EC Commission because clash with demands for budget control from about 10 percent of Luxembourg's population such states as Britain and West Germany. The Mediterranean group would also be in a

A CONTRACTOR

better position to insist on greater assistance through the community's regional and social An immediate effect of enlargement will be the strains placed by the 12 members on the community's decision-making process, which usually requires unanimity. EC officials bope

that recommendations for majority voting will be approved at the Milan summit of community leaders in June, but several nations have indicated they are not ready to agree to such a step. Portugal, for its part, supports the limited use of majority voting, according to Aires Corraia, an economic counselor at the Portuguese mis-

sion in Brussels The entry of Spain and Portugal is also ex-pected to influence the orientation of the community's external relations, bringing the EC closer to Latin American and African nations

that had colonial ties with Lishon and Madrid. In the European Parliament, Portugal will receive 24 seats, and Spain will be allocated 60. ease restrictions on Portuguese workers living in countries could be a powerful force for in-exercised by the center-right parties could be

Modernization Comes to the Banking Sector

LISBON - In mid-summer Por- chine-equipped bank branch, uguese banks will move into new network of automated teller or cash counts are debited automatically dispensing machines linked to a through a central computer. Later ting up their own banks. central computer.

The system, according to bank-ing officials, is part of the long-awaited modernization of Portu-gal's antiquated and bureaucratically bound stateowned banking sector.

Twelve banks, including three private institutions, have invested about \$4.8 million in setting up the network, which initially will deal only with cash withdrawals and check requests but which will later be expanded to handle a range of other customer services. One of these will be the projected Europe-wide cash-withdrawal network now under study that would allow clients to draw money against their home bank accounts while visiting other European countries. This system has still to overcome the exchange control barriers that Portugal will slowly remove after its entry into the European Communi-

The technology being introduced by the banks is keyed to a simplified form of smart card with a restricted microchip memory holding vital information about the user.

Unlike some other countries, the cash machines in Portugal are owned and installed by a separate services company, established by the participating banks, which issues cards valid for use in any ma- \$500,000 profit in 1984, has also against major currencies.

these cards will be upgraded to become full credit and in some cases check guarantee cards, giving the services company additional revenue and responsibilities.

Following the opening up of the banking sector by the government last year, two leading U.S. banks -Chase Manhattan and Manufacturers Hanover Trust - have begun an aggressive and successful search for business in Portugal, prompting a spate of applications from other foreign institutions.

Three foreign banks, Barclays, Banque Nationale de Paris and Citibank, were authorized May 2 to set up operations in Portugal. Another Portuguese private bank, Banco Commercial Portugués, was also given permission to start oper-ations, taking to seven the number of private banks allowed into Portugal since the government liberalized the nationalized sector last

These international banks ioin the long-established three private banks, Lloyds International, Credit Franco-Portugais and Banco do Brasil, which were operating before the state takeovers in 1975 and which are also now absorbing the

effects of added competition. At least one Portuguese-owned

been operating successfully since whether the client banks there or the government broke the state mo- these potentially lucrative operatechnology and open a nationwide with a rival institution. Clients' ac- nopoly. As a result, other Portu- tions are data-base companies like guese enterprises are studying set-The pressure of competition

> from the efficient and tightly run international banks has already had considerable effect on the nationalized sector, an official of one of the affected banks said. The largest state-run bank, the Banco Português do Atlantico, with \$3 billion worth of deposits, has, in the past 18 months, introduced a number of innovations to attract customers, including Eurochecks, cash dispensers and preferential

counts. But the state-owned institutions are burdened by overstaffing, cumbersome systems and undercapitalization. Even worse, they are awash in medium-term (six to 12 months) fixed-interest deposits and squeezed by government-imposed credit restrictions, part of the policy of economic stringency.

Meanwhile, the Banco do Portu-L the country's central bank is also beining to modernize the nation's financial structures in preparaton for Common Market tural reforms are fundamental for membership. Used to regulating success once Portugal enters the these with an inflexible hand, the European Community. Five main central bank is soon to sanction a free interbank money market. Later it will introduce an international spot and forward foreign exchange

Waiting in the wings to service Renters whose dealing and currency services would put Portugal in step with the world's money and

markets

- KEN POTTINGER

Recovery Bringing **Bad Checks** client service for big active ac-

mance in 1985 will strengthen by a further 8 percent.

Although the government came to office in June 1983 with a threestage program for economic recovery and reform, and a solid parliamentary majority with which to implement it, it has dragged its feet over reforms in several areas, including the vital and voracious

public sector. Economists say that these plans for modernization through struc-European Community. Five main areas are identified for action through the legislative period end-ing in 1987. These are: public enterprises, the private sector, the doprivate bank, the Banco Português market, ending the current practice mestic financial system, regional do Investimento, which reported a of a fixed foreign exchange rate development and tax reform.

- KEN POTTINGER

European Connection: Returning to the Fold

seas for friends and resources in the first place. Relations between the

riorate with EC membership because of differences over trade, inlantic Treaty Organization respon-

Portugal is a poor country with limited resources that for centuries has exported its excess population through immigration and balanced its trade deficits by the surpluses

Portugal still has over 30 percent of its active population engaged in agriculture, and many of its "industrial" workers also rely on rural production to support their families, indeed increasingly so in face

(Continued From Previous Page) guese have more than four years of stances, but pre-eminent among schooling, a fact that has a major them was the impact of the wars in impact on Portugal's human capi.

Africa on the military institution, lenge, the type of challenge which tal and competitiveness.

The capital-intensive industries rank officers who for established in the 1960s, based on armed forces movement.

cause of differences over trade, in-vestment, fishing rights and conflicting views about North At-

especially on the junior and middle

Coming to terms with a heritage of past glories now confronts the Portuguese.

facing major problems. It is a situa-tion aggravated by the adverse ef-1975, the military played a central

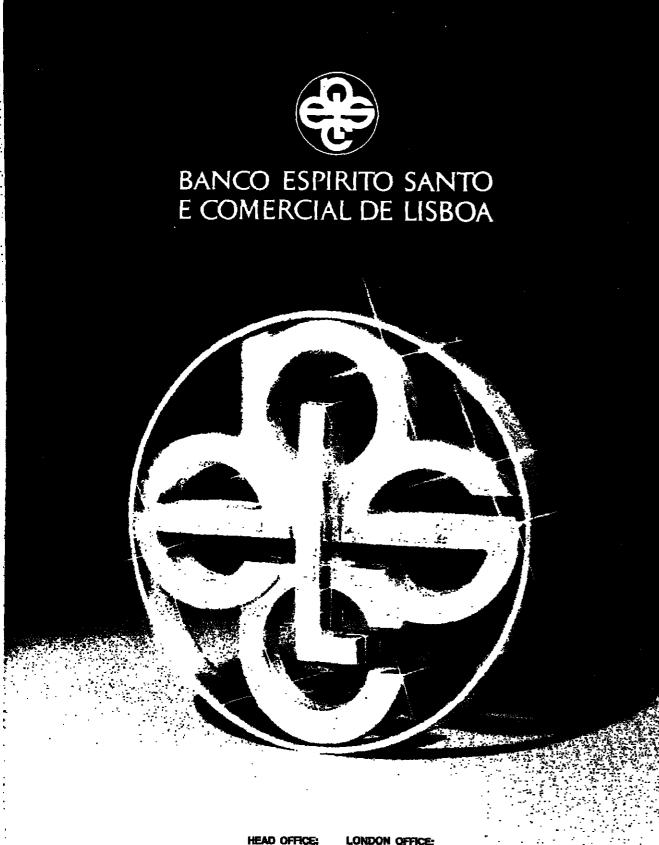
democracy in Portugal was created in the body politic remains prob-

from overseas colonies. When Porfects on them of government polirole in politics and the armed
tugal becomes a member of the
cies that have forced public forces was transformed by the deep European Community in 1986, the enterprises to borrow overseas, involvement of all ranks in the podisparities between the poorest arwhile at the same time postponing litical and social struggle. More eas of Portugal and the richest arthe government's own obligations than 10 years later, although the eas of the EC will be immense, as to the nationalized industries. African campaigns are a mere deficits and debt. The size of the bureaucracy has expanded in inverse proportion to its effective- the interaction between individual military officers and civilian politi-

lenge, the type of challenge which for five centuries kept Portugal inrank officers who formed the dependent (most of the time) and set it on an extraordinary overseas In both the swing to the left after adventure. Yet at least part of the tion to the Portuguese elite was that it provided the means to avoid tough domestic decisions at home. As a consequence, Portugal fell far 🛔 behind in the race to modernity, which in turn helped produce the striking disparities between Portu-gal and its new partners.

Coming to terms with a heritage of past glories, glories which imprisoned Portuguese society at least as much as they liberated it, as well than 10 years later, although the as the task of dealing realistically with the diminished dimensions of much as 12 times between Hamhence shifting and to some extent
burg and Vila Real, for instance, in
disguising the scale of government
disguising the scale of government
of the
hence shifting and to some extent
forces has been cut down from a
task that now confronts the Portu-Portugal itself, is essentially the

Dealing with these dilemmas will be challenge enough and some understanding and help will be need-Finally, it is important to recians is still tense and the role of ed by Portugal's friends. The Euromember that the opportunity for the armed forces as an institution pean Community should lift its of recession. Illiteracy is extensive, over 24 percent of the adult population. Only three out of five Portueyes for a moment above its olive



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A SPECIAL REPORT ON PORTUGAL

Footwear: Rapid **Strides** In Exports

LISBON — The growth of the shoe industry is the biggest economic success story in Portugal. Shoe exports, which 10 years ago amounted to only 700,000 pairs, reached the 32 million mark in

Exports doubled between January and October of last year compared with the same period of 1983. Fifty percent of the shoe production is being exported, representing nearly 5 percent of Portugal's total

There are many reasons for this success. In 1977 and 1978, the government was looking for ways to cut down its gigantic balance of payments deficit by increasing exports. The export of shoes was con-sidered a possibility. Up to that time, shoes had been produced only for the internal market and for Portugal's former African territo-

With the support of the export development fund, the shoe manufacturers began to buy new equipment, enlarge their factories and set up new ones. They attended international shoe-design shows and brought back ideas from Italy and France and other countries where

"We bring back ideas and models from other countries and make changes to give them the Portuguese look'," said a member of the Portuguese Association of Shoe and Leather Industries. The manufacturers improved their quality and design and they set up their own local shoe shows at the Palacio de Cristal in Oporto for international buyers. They put their collec-tions on show in Düsseldorf, Paris, London and other European cities. And, importantly, they began to

Portugal makes shoes for foreign retailers and wholesalers to market did not see us as a threat, said a under their own brand names, but also markets some Portuguese brands. There are about 150 rega-nearly half of the exports. They lar exporters around Oporto and bought more than 17 million pairs cities to the north. The bulk of the in 1984, Britain is the biggest mare exports are men's shoes because ket (4.6 million pairs), followed Portugal cannot compete with Italy closely by France and West Gerin women's shoes. Some of the big-many. European Free Trade Assogest names in shoe manufacturing ciation countries buy 5.5 million and export are Campeão Portu-guês, Xavi (sports shoes), Conti-accounts for 3 million. nental and Basilius. Campeão pro-



duces about 14,000 pairs per day and Xavi produces about 8,000.

Portugal can put shoes on foreign markets at prices approxi-mately 20-percent lower than local manufacturers can. There are no customs barriers or quotas on Portuguese shoes in European Community countries, where they represent only 4 to 5 percent of total get shoes delivered on time in the set during the recent negotiations for Portugal to join the EC. "They

EC countries already account for

Exports to the United States

have shown spectacular growth. In 1982, American customers bought 264,000 pairs; in 1984, the figure was over a million. Portugal is looking to the United States as the market of the future.

Portuguese shoe manufacturers are concerned about effects that entry into the EC will bring.

"EC entry would appear to bring us nothing but trouble because it will open our local market to foreign competitors in Europe and to those companies with whom they have preferential-treatment agreements, such as those in Southeast Asia, which represent the most serious threat to us," said António Clara, president of the shoe and leather association, in a recent interview. "On the good side, however, entrance will give us access to some raw materials we have had difficulty obtaining," he added.

There are already foreign com-panies, mainly West German,

take advantage of the cheap labor. Some local manufacturers believe that the only way the Portuguese shoe industry can continue to grow as it has done is for foreign companies to come in and set up joint ventures with the Portuguese.

Portuguese companies are beginties. The era of cheap labor appears to be coming to an end because the supply of skilled workers cannot keep up with the soaring rate of production, so the workers are demanding more money. Also, raw materials are becoming expensive. Because 90 percent of Portuguese shoes are made of leather, it is becoming increasingly necessary to import hides and leather. Thirty percent of finished leather is being

imported from India and Pakistan. But Portuguese shoe manufac-turers are confident the industry will continue to expand.

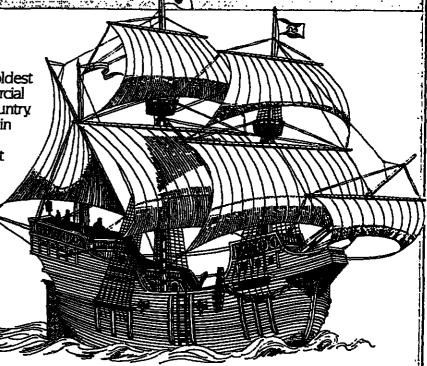
- MARTHA de la CAL

Still fostering the Portuguese spirit of enterprise at BNU

BNU is one of Portugal's oldest banks with the largest commercial network of branches in the country

BNU's special expertise is in financing all aspects of the Portuguese export and import trade. Its comprehensive array of services includes opening negotiating and confirming letters of credit, collecting trading documents and arranging payments through bank circuits.

BNU also has a long tradition of intensive activity in Macao. It can offer the same range of services to importers and exporters in the flourishing light industrial and consumer industries there.



The St Gabriel, Vasco da Gama's flagship, in which he led his fleet to India in 1497 and reached it in the following year.

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Banks in which BNU has participation. Banque Franco Portugaise, Banque Portugaise à Luxembourg S.A. The Bank of Lisbon & South Africa Ltd.

Farm workers remove stones from a field where grape vines will be planted.

Tasting Portuguese Reds: Will the 'Nez' Have It in Paris?

SUNDATINE

Recovery

Bringing

Bud Checks

By George Gudauskas PARIS - Port, Madeira, rose, wines for which Portugal is known. But red wine, the table variety, also forms a huge portion of Portugal's production, and it was red wine the French gentleman held in

his glass one recent evening.
"Very interesting," he said, sniffing and sipping the young red that had been opened an hour earlier for a tasting of some of Portugal's best. The comment, though ambiguous, was but one of several favorable ones that emerged during an evening when seven wines from

major producing regions of Portu-gal were sampled. Most of the wines were unavailable in French wine shops. They had been sent by Portuguese winemakers who wanted the fruit of

Vinhos Verdes — these are the the Paris group, said major wine areas were represented "so you can see the differences?

There should be differences," and a Côtes-du-Rhône. That should be evident to us."

After much swirling, sniffing and sipping, several tasters concluded that most of the Portuguese reds had good color and fine bouquet. taste, however, the wines seemed light to the French palate. "Thin," one French taster said.
After the seventh bottle, Mrs.

Meade, who is English, remarked, without challenge, that "You'd expect strong, heavy wines from Portugal. But you have delicate, complicated, light wines instead." upled wines came from three

& Food Society; the 52-year-old nonprofit group, tasted the wines.

Pamela D. Meade, president of ro, Dão and Bairrada.

Of Portugal's 10 demarcated areas, many people often associate with the products of Portuguese vine-yards.

Tasting began with the youngest wines and included a Vino de she explained, "like the differences Mesa, a Bairrada, a Dão, a Quinta between a Bordeaux, a Burgundy da Folgorosa, a Pasmados, and two Reserves. One was a 1974.

Also tasted was wine from Tor-

Dão is the best-known region for Portuguese reds. Soil there is granitic; the terrain is mountainous with terraced vineyards and the climate can be extreme. Wine critics differ in assessing the characteristics of the wine. Some compare Dão wines with Riojas: soft, drinkable and inexpensive. Others find

them rough, dry and unbalanced. The Douro, demarcated first for port, produces reds that vary from light to intense. The wines of Bairrada, south of Oporto, are named for the reddish clay soil of the re-

praise from a Frenchman as "the to be seen." most agreeablke to drink." He had been comparing notes with a fellow

Portugal, the seventh largest wine-producing country, exports more than 835,400 hectoliters (about 22 million gallons) a year, according to the government, from

ies in the country. Only a fraction of the total is red wine, however, and they are not widely stocked.

In addition, as Decanter magazine noted in May, often little relationship exists between price and quality, "confusing for us, the wine lovers," the magazine said, "and not good for the producers either."

To explain why Portuguese reds have lacked the success abroad of, say, either port or Mateus Rosé. Decanter cited Portuguese production and marketing for a lack of organization and discipline.

With the will and the discipline, At the tasting, the Vino de Mesa, Portugal could offer some of the the first wine sampled and the world's best red wines," the maga-youngest, drew unchallenged zine said. "Whether it will, remains

> Some of Portugal's best appeared at the wine-lover's tasting, and the few gathered there seemed slightly impressed, enough so to comment that Portuguese wines are

MARTHA DE LA CAL reports from Lisbon for Time magazine. STEVEN J. DRYDEN, a Brussels-based journalist, writes a bi-

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KEN POTTINGER, a Lisbon-based journalist, contributes frequently to the International Herald Tribune.

PETER WISE, a Lisbon-based journalist, contributes to The

PORTUGAL: from stabilization to modernization

Portugal is a small, open and new industrialized country strongly dependent upon foreign markets either for imports, namely energy related (petroleum), food and raw materials, and for exports which include manufactured goods

(textiles, chemicals, paper and pulp) and services (tourism). Some past exogenous factors like the second oil shock, a severe drought, the world recession and high interest rates in international markets, together with the attempt to sustain domestic demand and employment, have partly been responsible for external imbalances.

To cope with this situation a stabilization program was implemented, in mid-1983, including a discrete devaluation of the escudo, the increase in prices of a wide range of previously subsidized goods and a substantial tightening of monetary and fiscal policies. Domestic interest rates were increased in conjunction with stricter credit ceilings and close monitoring of the external debt. Taxes were raised and public spending was cut. Part of these measures were instrumental in an agreement

with the International Monetary Fund in view of a stand-by credit.

The responsiveness of the economy to this stabilization package was quite remarkable. The main targets agreed with the IMF were achieved. The current account deficit decreased from U.S. \$3.3 billion in 1982 to 1.6 billion in 1983 and 0.5 billion in 1984, the targets being 2 billion and 1.25 billions, respectively. Excluding interest payments on the external debt, the current account would have shown a surplus of 0.7 billion in 1984 (against a deficit of 0.6 billion in 1983). The increase in exports and the decrease in imports almost offset the fail in domestic demand (around 7 per cent); hence, GDP recorded only a marginal fall. On the other hand, total external debt growth decelerated, at the same time that a significant improvement in its time profile took place.

However, these results were only achieved at some economic and social cost: increased inflation, as a result of the escudo devaluation and of the adjustment in administered prices; higher unemployment; and lower level of economic activity, especially in the domestic oriented sectors.

The results achieved through stabilization program, namely the sharp improvement in the external current account. and the control of the foreign debt (and the taming of the budget deficit), are quite impressive and will allow a moderate economic expansion in 1985; the government expects a growth of 3 per cent in real GDP, led by the export sector. This deliberate slow recovery will not endanger the consolidation of the present economic situation and is a prerequisite to the implementation of a long-term program of deep structural reforms, which is imperative for a better performance of the economy and for a successful integration in the EEC. The government intends to improve the efficiency of the economy through the replacement of bureaucratic management by the discipline of competition in the market place. The rationalization of public administration and the restructuring of nationalized industries, the easement of price controls and the loosening of some restrictions of labour legislation are in line with that aim.

On the financial side, modernization is the order of the day. A major overhaul of domestic financial markets and mechanisms is currently being introduced. Private banks (as well as insurance companies), both foreign-owned and domestic, can operate in Portugal. Since last year two American banks and a Portuguese one were recently allowed to start operating: others will follow soon. Leasing and investment companies are expanding significantly their activities, thus increasing the range of financial products available to clients, which until recently were confined to those of the banking sector. The government intends also to develop the role and importance of the stock market.

Portugal is right now a very attractive location for international investors, It is well placed as a gateway to a number of developing countries in East Africa and South Atlantic; qualified and skilful labour is available; unit labour costs are quite low by international standards and tax laws are favourable. Direct foreign investment has access to all incentives granted by the Portuguese laws, may enjoy additional benefits of fiscal and other nature and is allowed in the majority of the sectors of the economy (but in a few strategic ones). Moreover, the social and political situation is quite stable. Having all this in mind, direct investment should provide a high return at a low risk.

Portugal will soon be a full member of the European Communities Integration in the world's most important free trade area will further increase the attractiveness of investing in Portugal, specially in export oriented sectors.

> **Research Statistics Department** Banco de Portugal

their labors tasted in Paris. Several members of the International Wine EC. Election Dominate Political Life

(Continued From Page 9) Amaral, with gamblers trying their luck on a maverick outsider, Maria de Lourdes Pintasilgo. This former prime minister and onetime ambassador to UNESCO was the first candidate off the mark and is seekine support from an eclectic group, including Communists, militant Roman Catholics and others who believe her utopic Third Worldism to be the appropriate direction for

Although opinion polls currently give her a commanding lead, some analysts believe they are misleading inadequately structured and unlikely to reflect the true views of

Portugal in the next decade.

the Democratic Renewal Party, which is counting on reinforcing presidential powers at the expense of parhament and hoping to entice the head of state, General António Ramalho Eanes, to become its

General Eanes is constitutoually barred from a third term in office directions?"

but there are those in the new party who feel he should become prime minister of a government elected in harmony with a president endorsed by General Eanes himself. The new party, however, remains an embryouic force, lacking a leader, a presidential candidate or clearly defined

An additional thread working into the scene is the revived debate over the country's constitution. When first adopted in 1976, it was considered Western Europe's most doctrinaire Marxist charter, but it was toned down considerably by a revision in 1982. Today, however, voices in parties on the center and right are again raised in opposition to the constitution, claiming that A still unknown quantity will be its economic chapters need immethe candidate proposed by the rediate revision if Portuguese entry to cently created presidentialist party. the EC is to make sense. These chapters continue to regard key sectors of the economy as a state preserve and talk of the benefits of

a socialized economy.

As one young technocrat noted, progress if we are still arguing about the country's fundamental

"How can we ever begin to make

countryman and taster. He also had tasted six other fine wines be-These wines were a far cry from nothing, as the Frenchman said, if the fresh, slightly fizzy ones that not "very interesting."

> weekly column on the European Community for the IHT. variety of topics including travel and lifestyle.

Washington Post and The Boston Globe:

PARIS — Sixteen years ago. Marie-Helène de Rothschild

In 1969, at a memorable Oriental Ball given by the Baron Alexis de



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designer "Rocco Barocco" and the Knap label with its

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was the queen of Tom-Paris. To-nese dancer. The host looked day, she still is, but times have changed.

As guests stepped into the Per-

HEBE DORSEY

escorted them under orange parasols, between two lifesize papier mache elephants loaded with jew-

esd trappings.
On Wednesday evening, Baroness de Rothschild will be in the spotlight again as she hosts the party of the season — but this time, it Charles de Besteign, to paint the will be far more sober, the pretext interiors of their châteaux or combeing to raise money for the Musee memorate a ball they were giving. des Arts Décoratifs on Rue de Ri-voli. The 1,800-franc (\$190) a head black-tie dinner will be followed by a tour of the museum's 100 new rooms. The evening is held under the patronage of the French minis-ter of culture, Jack Lang, and in the presence of the mayor of Paris, Jac-

There is a world of difference ques Chirac. between this event and past extravangazas — the cultural ring is a far cry from the "Let 'em eat cake" flavor of past Paris balls. The baroness admitted that large private balls would be badly perceived in today's world in general and France's socialist society in partic-

This marks a new turn in the once frivolous Paris season. People are realizing that lavish functions



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Rédé, she stood at the top of the Hôtel Lambert stairway, dressed as an orange and gold-hedecked Balivery much as in the United States,

Strangely enough, an exhibition to be held at the Demenre Historique (a nonprofit organization of French château-owners) on June 5 vants in pink tunics and turbans will stress the enormous changes in

decades.

The retrospective is devoted to the works of painters Alexandre and Catherine Serebriakoff, a Rusand Catherine Serebriakof sian brother and sister who came to Paris in the 1920s.

After World War II, they were commissioned by a number of wealthy Europeans, including the arl patrons Arturo Lopez and Many of these houses and châteaux have changed hands or no longer exist, and lavish fetes are also things of the past - all of which adds a historical value to the artistic quality of the Serebriakoffs' ex-The exhibition was conceived by

Princess Laure de Beauveau-Craon, whose husband, the late Prince Marc de Beauveau-Craon, was president of the Demeure Historique. She said that although the Serebriakoffs painted all over Europe, the exhibition, which is sponsored by the auction house of Christie's, was narrowed down to French topics. Hence watercolors of the Redé ball, the 18th-century alons of Elie de Rothschild's Left Bank hôtel particulier, or townhouse on Rue Masseran (closed down a few years ago amid Proust-ian nostalgia); the Versailles scale bedroom of Arturo Lopez (which can be seen in Neuilly-sur-Seine, where the house is a now a museum); and the grand salon of the Château de Ferrières, which Guy de Rothschild gave to the Universi-

ty of Paris in 1975. There will be 150 costumed extras, dressed in all the periods represented in the museum, from the Middle Ages to 1925. The decorations, designed by Bruno Roy, include 500 feet (160 meters) of garlands, 2,000 fresh calla lilies, 500 peonies and 1,400 artificial flowers, with seven huge candelabra to cast candlelight in the room where the

dinner will be served. There is, however, a world of difference between yesterday and today. The biggest change is: "First of all, money," as the baroness herself put it, in her private quarters above the palatial salons of the Hotel Lambert, where she now lives. "One could not afford the kind of fêtes one used to give. It would cost



Poster design for the Serebriakoff exhibition.

Edmond Safra (who gave the or-

ange-silk lined programs). The bar-oness donated the dinner, "which is

will no doubt appreciate another

countrie dress from Valentino, Yves

Saint Laurent, Ungaro, Jacqueline

de Ribes. Chanel or Givenchy, a

little fur from Dior, some Porthault

sheets, diamond and basalt ear-

rings from Jar or six months of

from Arène.

twice-monthly flower offerings

For men, the baroness thought it

would be "amusing" to win an invi-tation for two at Maxim's, good for one year, or two cases of Château-

Lafite 1970, courtesy of her hus-

"Serebriakoff: Demeures et De-

cors d'Interieurs" runs June 5 to July

6 at the Demeure Historique, 57 quai

de la Tournelle, Paris 5. Open 2 to 6

P. M. except Saturdays and Sun-

for a book organizers hope will be a

hiro Nakasone, the project will

pictures of ordinary events," said

David Cohen, 30, co-director of the

\$3.5-million project and future

Three other similar coffee table-

type books, on Australia, Hawaii

and Canada have been published

since 1981, but Cohen and his co-

director Rick Smolan, 35, said Ja-

will be able to break through the

cultural and linguistic obstacles

that have historically closed Japan.

For the project, 75 photogra-

thers will fly in from 16 countries

May 31 to be briefed on their as-

signments, Cohen told a press con-

ference at the Foreign Correspon-

dents' Club of Japan. They will be

joined by 25 Japanese photogra-

photographers, including four Pulitzer-Prize winners, will begin

shooting at dawn and continue until dusk, using an estimated 5,000 rolls of donated film.

On June 7, rain or shine,

pan poses particular difficulties. But they said they hope that they

"A Day in the Life of Japan."

visual time-capsule."

organizers said.

natural since I'm the president."

The framework and organization are not the same, either. "When I gave a party, I always started from Aga Khan and the banking baron beautiful decor, my house, a château. I had a chef and dozens of people at my disposal. Now, all I have is 600 square meters [6,500 square feet] of empty beige space. One can do anything but it's diffi-cult. I have to keep track of everything and everybody — carpenters, electricians, florists and upholster-

"It's also difficult to arrange dinner for 470 people and in a museum where there are no kitchens yet. I keep tasting all the time. Everything they give me is covered in what I call airplane sauce."

But the baroness, who loves a party ("It boosts the morale and gives work to a lot of people") seemed undaunted. If anything, she emed to like the challenge of starting from scratch, so to speak. To make sure all the profits went to the museum, she called on her friends who donated money, or their time, or both.

Among her 27 supporters are the

TOKYO — On June 7, more

I than 100 leading photojournalists from across the globe will de-

scend on Japan to capture on film

one day in the life of the country

Photographers to Capture

A Day in the Life of Japan

Murder Most Profitable: Twin Books On '78 Crime Spark Publishing Feud

By Edwin McDowell

New York Times Service EW YORK — One of the most bizarre crimes in recent years, the 1978 murder of a multimillionaire plotted by the victim's New York socialite daughter and carried out by her son, is the subject of two books scheduled for publication next month. But already the books have ignited a bitter publishing fend, with the authors and the victim's widow. accusing each other of "deception," "misrepresentation," "checkbook journalism" and "unethical conduct.

The books are "Nutcracker" by Shana Alexander, the anthor of books about Patty Hearst and Jean Harris, and "At Mother's Request" by Jonathan Coleman, a former book editor and broadcast journal-

Both recount in detail the events leading up to the trial and conviction of Frances Schreuder, a patron of the New York arts who persuaded her 17-year-old son Marc to murder her father, Franklin Bradshaw, an auto-parts dealer in Salt Lake City. Mother and son are currently serving long terms in the Utah State Prison. Another son, Lawrence, convicted of attempting to murder his college roommate, was paroled in March 1983 after The paying guests, many of whom indeed do have everything serving a total of two years in pris-

ons and hospitals. Although the stakes are high, since both books are potential best sellers -- both have been purchased for television adaptation, and each has been sold for paperback for six figures - the writers say their dispute is purely a matter of disdain for each other's journalistic meth-

Coleman, for example, accuses Alexander of "checkbook journalism" in having paid or arranged for Schreuder. In his book, Coleman writes that he declined, "for what I believed to be sound journalistic reasons," to pay money to Marc Schreuder or Joseph E. Tesch, Schreuder's Utah lawyer, but that they were able to obtain that mon-

ey elsewhere."
"Checkbook journalism" refers to the practice of paying for exclusive access to news or interviews with public figures. Critics of the practice say that it is corrupting because it introduces a commercial relationship into the otherwise detached search for facts.

Alexander denied that she paid Although they will train their cameras on Prime Minister Yasu-Tesch or Schreuder. "I do not buy material," she said recently. "It's been my principle, because bought focus primarily on ordinary people. material tends to be unreliable and makes me vulnerable in dealing "We ask only one thing of them with my subject afterwards." that they make extraordinary

But after she declined to buy, she said, Doubleday, her publisher, "saw fit to buy it," and she received "a collection of tapes made by the exclusive right to interview him ander of "an unethical and a in prison.

Alexander said she did not know nor want to know how much Doubleday paid for the material. "But I Alexander writes that after Frances she said. "Here was a glimpse at something which had been to a large degree covered up by what the psychiatrist in the case called the green poultice,' i.e., money."

Doubleday declined to say how much it paid. But Berenice Bradshaw, the victim's widow and the grandmother of Marc Schreuder, said, "Marc told me he got paid \$10,000, and had to give the lawyer \$5,000." Tesch refused to discuss

financial arrangements.

Henry Reath, president of
Doubleday Publishing Co., said
that the company paid money to

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Schreuder to do a deal with a magazine or with TV," he said. He also denied that the company's payment to Marc Schreuder amounted to checkbook journalism. "It wasn't a situation of being unable to get to sources," he said. "It was to protect ourselves from what Schreuder might do after we got to them."

Coleman is not mollified by the Alexander-Doubleday explanation. In either case, he said, Alexander had an obligation to tell her readers that she used material that was bought, rather than writing in her foreword that she told Mrs. Bradshaw there would be "no pay-

Alexander has complaints of her own. She said Coleman misrepresented himself in interviews as the heir to the notes of Tommy Thompson, the writer who had been working on the book for Doubleday until shortly before his death in October 1982. Doubleday access to the murderer, Marc also paid the Thompson estate for his notes, which it turned over to Alexander. She writes in the foreword that part of her book "is built on a solid foundation of Tommy Thompson's original notes."

Coleman denied that he misrepresented himself, and his denials are supported by Mrs. Bradshaw; by Marilyn Reagan, the sister of Frances Schreuder, and by Mike Carter, a reporter for The Salt Lake City Tribune. "Jonathan never told me that, and he never misrepresent ed himself to anybody I know of, said Carter, who covered the trials of Frances and Marc Schreuder.

However, Jim Conway, a former New York City policeman who was involved in the murder case as a private detective, recalls: "I was definitely under the assumption from the way Coleman spoke that he was taking over the Thompson book. He spoke of Thompson this, Thompson that,' and when I found out he wasn't taking over at all, I felt kind of had."

Coleman has also accused Alexalliance" with a New York psychiatrist whom Alexander recommended to Mrs. Bradshaw. In her book, couldn't turn down material like and Marc Schrender had been imprisoned, she suggested to Mrs. Bradshaw that an informal talk with the doctor, a specialist in the diagnosis of mood disorders, might be useful, if only to make her feel less distranght. Both she and the doctor agreed, so I drove her down to the hospital and sat in on their three-hour conversation," the au-

thor writes. Asked about the ethics of being present during that conversation, Alexander said: The doctor asked me to sit in, because the patient would feel more comfortable. Otherwise it would have been unethi-

Mrs. Bradshaw denied that sh

PRESENTATION OF THE OUTSTANDING NEW CREATIONS BY DAUM

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AU VASE ETRUSQUE

The fending authors Jonathan Coleman, Shana Alexander. protect its book. "We did not want ever asked Alexander to attend the ssion. "She insisted on driving me to the doctor and she followed me

all the way into the office," she said recently. I was very green and had

no idea that this was a put-up deal. But when I got home I thought she shouldn't have been there. It was a trick to provide information for the book. So I wrote her a letter telling her what I thought about her.' Alexander acknowledged having

ceived a critical letter from Mrs. Bradshaw soon afterward, but said it did not mention the doctor's vis-

The books have been the subject of intense jockeying by their re-spective publishers. "Nutcracker," for example, was originally scheduled for publication in September. a month after the scheduled publi-cation date of "At Mother's Re-quest." When Doubleday advanced the publication of "Nuteracker" to July, Atheneum countered with a June publication date. Now Coleman's book will be officially published June 20 and Alexander's June 21.

Whatever the outcome of the dispute, both authors stand to make a lot of money. Doubleday has printed 100,000 copies of Alexander's book, paperback rights were sold to Dell for six figures, it is a special featured alternate selection of the Literary Guild and NBC-Warner is adapting it for television.

Atheneum has printed 50,000 copies of Coleman's book, paper-back rights were sold to Pocket Books for six figures, it is a Book-of-the-Month Club alternate and it has sold to CBS for a television

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April 12 William Stranger

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And Area to the Ar

By Vincent Canby New York Times Service N EW YORK — "What is it you want?" the puzzled but admiring colonel of the Green Berets asks Rambo (Sylvester Stallone), the "pure fighting machine" who has just returned from a solo undercover operation in present-day Vietnam. Rambo, who doesn't like to talk much, pulls his brain cells together. "I wan' — I wan' — " he says with some difficulty, "I wan' this country to low and a says with some difficulty, "I wan'

The tense of that last verb could be wrong — it might be "love" instead of "loved" — but this is the pith of the final speech in "Rambo: First Blood Part II," the latest and potentially the most visible in what is turning into a new crop of Viet-tion against it, which had the effect

look to the macho mind of today.

Love is the nominal key. However, vengeance is the basic motive and fantastic, larger-than-life ac-tion is the method of these films. More than anything else, they re-flect a revisionist popular attitude toward a war that, in the 1970s, was seen as a harrowing American dis-grace in movies like "Apocalypse Now" and "Coming Home."

Fellini Presents Award To Italian President

The Associated Press

ROME — The film director Federico Fellini presented President Sandro Pertini, 87, of Italy with a golden David di Donatello cinema award for his support of the Italian

movie industry.

Milos Forman's "Amadeus" Awards, and six Italian prizes went to Francesco Rosi's "Carmen."

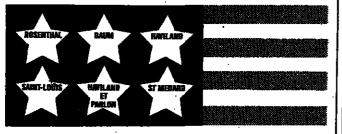
The new Vietnam films — including "Rambo," Chuck Norris's "Missing in Action" (1984) and "Missing in Action 2," released earlier this year, and "Uncommon Valor" (1983), plus segments of such TV shows as "Magnum, P. I." and "Airwolf" — don't deny that the war was lost. That's not possible. Instead, they restart the war

Of absolutely no interest to these films are the steps by which the United States got into the war, or the reasons behind the public reacnam films, not about the war as it was fought and as it came to an end 10 years ago, but as it has come to look to the macho mind of today.

Tion against it, which has the criect of denying any glory and gratitude to the soldiers who found them-selves caught in the middle, fighting it. Though these movies, like Stallone's not-quite-tongue-ned Rambo, talk about giving credit, at last, to unsung heroes, they are far more committed to changing histo-ry by adding new chapters to it.

Their common plot: the search for—and rescue of —U. S. prisoners of war, officially listed as missing in action, either by one-man armies, like the invincible, armosplated though always bare-chested Rambo and Norris's somewhat more modest, fleet-footed Colonel Braddock, or by "Dirty Dozen"-like commando teams, such as the one headed by Gene Hackman in "Uncommon Valor."

The immediate villains of the films are the mean, usually physi-cally small Vietnamese soldiers and their officers who, in "Rambo," are garded as mealy-mouthed oppor-tunists, are individual congressmen



6 GREAT NAMES IN THE ARTS OF THE TABLE HAVE CHOSEN

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Latest Crop of Films on Vietnam War Indulge in a Macho Rewriting of History

ble. Instead, they restart the war that, they say, U.S. government fuddy-duddies would not allow to be won 10 years ago and, this time, this country to love as as much as score decisive, totally fictitious vic-we loved it."

Score decisive, totally fictitious vic-tories over enemies who frequently look more Chinese or Japanese



Sylvester Stallone

who, 10 years ago, refused to sanction victory and today vehemently deny the possibility that there are still Americans being held prisoner

ries on its mind. There's no need to what happens.
create a new international crisis

If "Rambo" could make its fictisimply on behalf of a few guys who

have been written off anyway. In "Rambo," this gone-to-flab congressman is a fellow named Murdock (Charles Napier) who, through Rambo's former colonel (Richard Crenna) in the Green Berets, sends the United States' most have not only survived but are in prominent pure fighting-machine such good shape that they can run back to Vietnam on a mission sabotaged from the start. Equipped with the latest portable weapoury, including an professible weapoury.

Plausibility is not the film's including an updated bow and arrow, plus a camera, Rambo is to be

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"Rambo," provide one lame expla-nation that, if I remember it cor-rectly, goes something like this: captive Americans, the congress-The war is over and done with The man will attempt to destroy the American public has forgotten it evidence in the interests of the and the government has other wor- Greater Good, which is exactly

> tious case plausible, it would be beside the point that most experts today agree that it's extremely unlikely any Americans have survived being held in Vietnam so many years after the U.S. withdrawal. "Rambo" suggests that a number have not only survived but are in

Plausibility is not the film's strong point. Among other things, "Rambo" seems to believe the Victdropped into Victnam and obtain namese, apparently out of sheer photographic evidence of MIAs re- Asiatic cussedness, would waste portedly being held in a jungle prison camp. However, under no citcumstances is he "to engage the
enemy."

Assault cusseliness, would waste
the manpower represented by 50 to
60 of their soldiers to guard a heavily armed jungle prison, which contains no more than a dozen or so in Vietnam.

Yuh mean I just gotta take POWs used as farm laborers.

Why would any congressman do this? Stallone and James Cameron, who wrote the screenplay for gressman. Rambo, not having seen to abhor. In spite of everything it

says, it's much less interested in the MIA question than it is in finding a topical frame for the kind of action-adventure film in which Stallone — his torso and his vacant stare — can do what his fans like best. That is, fight, outwit and kill, usually all by himself, dozens of far better armed but lesser mortals.

Considering the extraordinary ratings obtained by the recent television showing in the United States.

The Stallone career is one of the most eccentric of any contemporary film star. Though a trement of the life of Jimmy Hoffa), "Paradise Alley," "Victory" (a good John Huston film set in a POW camp during World War. II), "Nighthawks" and "Rhinestore" (a good John Huston film set in a POW camp during World War. II), "Nighthawks" and "Rhinestore" (a good John Huston film set in a POW camp during World War. II), "Nighthawks" and "Rhinestore" (a good John Huston film set in a POW camp during World War. II), "Stallone is a shrewd film writer. director and actor, but the public seems to shy away from any movic displaying evidence that he's something more than the physically assentive being he seems to shy away from any movic displaying evidence that he's something more than the physically assentive being he seems to shy away from any movic displaying evidence that he's something more than the physically assentive being he seems to shy away from any movic displaying evidence that he's something more than the person has seen to shy away from any movic displaying evidence that he seems to shy away from any movic displaying evidence that he seems to shy away from any movic displaying evidence that he seems to shy away from any movic displaying evidence that he seems to shy away from any movic displaying evidence that he seems to shy away from any movic displaying evidence that he seems to shy away from any movic displaying evidence that he seems to shy away from any movic displaying evidence that he seems to shy away from any movic displaying evidence that he seems to shy away from any movic displaying eviden

directed by George P. Cosmatos, will turn into another huge, if flawed, Stallone jackpot.

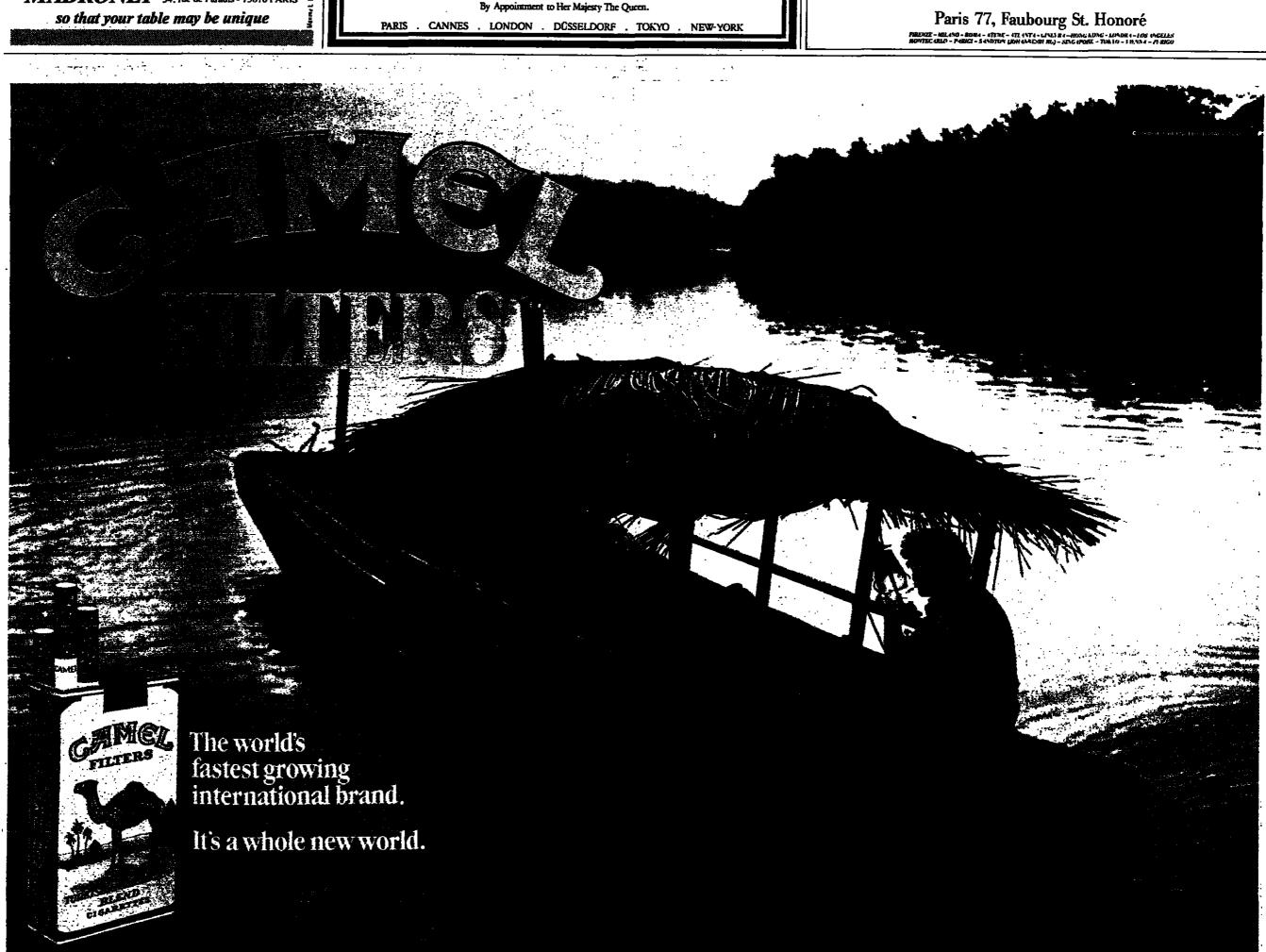
vision showing in the United States Guards of both Oregon and Wash-of "First Blood," it seems likely ington. that "Rambo: First Blood Part II." Everything else he has done has

ington.

Everything else he has done has

thing more than the physically assertive, primitive being he seems to be when playing either Rocky or Everything else he has done has been a box-office disappointment if not an outright failure — dumb, which is what they get in "F. I. S. T." (a decent attempt to "Rambo."





IMROVE SHEET

Compiled by Our Staff From Disputches PARIS - Pascale Paradis of France delighted the home crowd Monday by upsetting 15th seeded Andrea Temesvari of Hungary, Ball came the first men's seed to tumble the third as Gomez regained his while American Brad Gilbert beon the opening day of the French touch. Open tennis championships.

Paradis downed Temesvari, 7-6, 3-6. 6-3, while Gilbert, also seeded 15th, fell to Hans Gildemeister of Chile, 7-5, 7-6, 6-4. Gildemeister, a clay court specialist ranked 94th in the world, has enjoyed some of his best moments at the French Open. where he was a quarterfinalist in 1978, 1979 and 1980.

Among seeded players to advance were Andres Gomez of Ecuador, the men's lifth seed who downed Pavel Slozil of Czechoslovakia, 6-1, 3-6, 6-3, 6-3; Sweden's Henrik Sundstrom, the 12th seed. who beat Spaniard Gabrel Urpi, 6-3, 6-3, 6-1; defending champion Martina Navratilova, 6-1, 6-0, over fellow American Pam Teeguarden; and Hana Mandlikova of Czechoslovakia, the women's No. 3 seed, who triumphed, 6-1, 7-5, over Mary Joe Fernandez of the United

No. 4 seed Mats Wilander of Sweden, the winner here in 1982 and a finalist in 1983, abandoned his usual baseline style and rushed the net with success to defeat S Frenchman Thierry Tulasne. 6-1.

After winning a closely fought opening set (she won the tiebreaker by 7-4), Paradis lost her concentration against her Hungarian opponent and dropped the second set. But, cheered on by the French fans. she regained her composure. A loose forehand and a backhand into the net by Temesvari gave Paradis a break for a 5-3 lead. She clinched a berth in the second round on her second match point. when Temesvari netted a forehand.

Slozil could do nothing right in the opening set against Gomez. After losing the first two games, he had a chance to break back at 30-40. But a netted forehand handed Gomez a chance to hold his serve. and the tall left-hander recied off Il consecutive points to romp to a

Slozil then won his first game of

Gomez. In the second set, Slozil kept his concentration and made fewer mistakes; Gomez, meanwhile, seemed distracted by spectators trying to find their seats. Slozil took the second set but surrendered

Mima Jausovec, the experienced Yugoslav who won the women's singles here in 1977, thrashed young Annabel Croft of Britain, 6-6-0; Beth Herr of the United States downed Marcella Mesker of the Netherlands, 6-1, 6-0; and Anna-Maria Cecchini of Italy thrashed American Amy Holton, 6-

In men's play, Frenchman Henri Leconte was cheered to a 7-5, 6-2, 6-1 victory over American Tim Wilkison. The two left-handers traded service breaks in the opening set before Leconte took the 12th game. From there on in Leconte, who upset Wilander in a tournament last week in Düsseldorf, conceded only three more games to become the second French winner in the two opening matches on center court.

Navratilova, whose victory on the red clay courts at Roland Garros Stadium last year won her a \$1 million bonus for holding all four grand-slam titles concurrently, needed only 40 minutes to eliminate the 33-year-old Teeguarden.

"I was pretty loose," said Navratilova, 28, who is bidding for her third French Open title. "I was loose warming up and my body felt really good. I felt almost like I'd

been drinking." Navrailova, who has won 10 grand-slam events in her 10-year career, said she was hitting the ball better than a year ago, when she defeated American rival Chris women's final here.

"But that was one of my best matches of the year," Navratilova said of that showdown. "I feel I'm hitting the ball better now but I everything clicks, when everything 13th save of the year. comes together.

Tennis

raya, Peru, 3-6, 6-1, 6-4, 7-6 (7-5): Sichorlan

6-2; John Lloyd, Britoin, del. Gianni Oceppo. Italy, 6-2, 6-3, 6-1; Marco Ostoja, Yugaslavia, def. Luca Battazzi, Italy, 2-6, 7-6 (9-7), 7-5, 6-3;

Trevor Atlan, Australia, del. Matt Mitchell, U.S., 6-0, 6-2, 6-0: Tarik Beshabiles, França,

WOMEN'S SINGLES

Martina Navralliova, 1, U.S., det. Parr Tes-suarden, U.S. 6-1, 6-0; Befn Herr, U.S., det. Marcallo Mesker, Halland, 6-1, 6-0; Anna Ma-ria Cecchini, Italy, det. Army Holton, U.S., 6-0.6-1; Minas Jausseye, Yusaslavia, def. Armobel Craft, Britala, 6-2, 6-0; Katerina Maleeva, Bul-saria def. Eliken Tell, U.S., 6-3, 7-5; Adriana Villasran, Arventina, def. Rina Einy, Britain, 6-2, 6-0; Cacile Calmette, Francs, def. Mer-cedes Paz, Aryentina, 4-7-5; Petra Kecoeler,

es Paz, Argenlina. 6-4.7-5; Petro Keppeler

6-2. 6-1; Cecile Calmelfe, France, def. Mercades Paz, Arpsnillan, 4-4, 7-5; Petru Kepseler,
West Germanv, def. Masako Yanosi, Jopan, 64, 1-6, 6-2; Debble Spenca, U.S., def. Diame
Framholtz-Balestral, Australia, 6-3, 2-6, 6-3;
Ann Hestrickssen, U.S. def. (va Budarova,
Czechoslovakia, 3-6, 6-1, 6-1); Katerina
Skramska, Czechoslovakia, def. Helen Katesi,
Czechoslovakia, 3-6, 5-7, 6-3.
Pascale Paradis, Franca, def. Andrea
remesyari, 15, Husegory, 7-6, (7-4), 3-6, 8-3; Kim
Sonda, U.S. def. Renata Sasak, Yugoslavia, 75, 1-6, 6-3; Christiane Jolissain, Switzerland,
def. Efsuka Indua, Japan, 7-6 (7-4), 6-2; Pat
Medrada, Brazil, def. Michelle Torres, U.S. 6-2.
Kathy Rhaddi, 13, U.S., def. Tina Machizuki, U.S., 6-4, 6-6); Hang Mandillava, 3.
Czechoslovakia, def. Mary Joe Fernandez,
U.S., 6-1, 7-5; Reifanilla Reggl, Italy, def. Soshie Amiock, Franca, 6-6, 4-6, 6-7; Susan Massonin, U.S., def. Ame Brown, Britais, 6-1, 7-5.
Cloudia Kohde-Kilsch, 7, West Germany,
def. Sheily Solomon, U.S. 6-2, 6-2; Andreg Hall-

def. Torid Nelson, 11 S. 4-7 (5-7), 5-7-7-6 (7-2), 6



The Lakers' Johnson: 'I know it's time for this team to win.' series against them, though."

Celts Seek Glory, Lakers Atonement

By Anthony Cotton Washington Post Service

BOSTON - History or redemption? That's what confronted the Boston Celtics and Los Angeles Lakers as they were to begin the 1985 National Basketball Association championship series here Monday.

Last year these two teams played a sometimes bruising, sometimes rapid-fire seven-game series before Boston won its 15th league title. The Celtics are looking to become the first team to repeat as champions since Boston did it in 1969.

"Winning this year means an awful lot to us because we've got a chance to make history," said forward Larry Bird. "I think the Lakers should allow us to do that."

Bird was kidding, but Laker Coach Pat Riley reacted seriously when told of his remarks:
"There will be no allowances made this year." Indeed, this is the Lakers' chance to atone for

assorted miscues that deprived them of victory a year ago. Most of the errors were self-inflicted, mistakes such as Earvin Johnson's dribbling away the final 11 seconds of Game 2, thinking the scored was tied (Boston led by a point). "We won't have any mental breakdowns this

time," said the Los Angeles captain, Kareem Abdul-Jabbar. Johnson agreed with him. "If it seems like we're tougher mentally, perhaps it's because we are," he said of his team's dominance in the Western Conference playoffs.

The Celtics certainly have historical momentum: Boston is eight-for-eight in title series against the Lakers. Prior to last year's, there hadn't been a Boston-Los Angeles matchup since 1969. "I don't know about those other series, they were so long ago," Johnson said. "I do know that it's time for this team to win a

Even some Celtics are casting a wary eye toward the Lakers, who have averaged 131 court traps.

dric Maxwell. "Emotionally, the L.A. series may be even more cutthroat than the one against Philly,"

which Boston won, four games to one. Much of Boston's hope rests on Bird, who has struggled through the playoffs with pain in his right elbow and right index finger (he shot 41 percent against Philadelphia).

As is his custom, Bird has tried to focus some of the attention on others, saying Sunday that he taken from the outside.

Ainge, however, refused to be drawn into the spotlight. "That's just not true," he said. "It's all up to Larry and his chicken wing."

At any rate, the series will clearly match the league's two most deserving teams. The Celtics had the NBA's best regular-season record; the Lakers, with the second-best mark, were particvioussy carried that surge into the playoffs.

There are a number of intriguing questions. Can Boston defuse the Los Angeles fast break? Can the Lakers withstand the Celtics' physical play? Can Boston, hobbled by assorted injuries, nd out such punishment sufficiently?

But Los Angeles was not strictly a run-and-

Both the 6-foot-4 (1.93-meter) Scott and the points per postseason game. "They've been dismanding teams right down the line." said Cesary to make traps work against guards Ainge and Dennis Johnson, both 6-5. If those two have difficulty. Boston might have Bird handle the

ball to help alleviate the pressure. Laker center Abdul-Jabbar passes well, particularly to players like Johnson and Scott, who know how to rotate away from that defensive pressure. In addition, Scott is butting better than 60 percent in the playoffs, many of those shots

In the front court, both Bird and center Rob-Scott and Danny Ainge to be critically important. "If Danny can stop him from scoring, we win the series," he said.

Alexandra unaturally between the Lakers gery. If they aren't at their best, the Lakers gery. If they aren't at their best, the Lakers gery. should have an edge up front with reserves
Larry Spriggs and Mitch Kupchak providing
muscle and Bob McAdoo adding scoring punch. Individual matchups should prove fuscinat-

ing. Bird, for example, has said that the Lakers' Michael Cooper is the player who defends him best. But Cooper is a substitute; who guards Bird at the start of the game? He might be too ularly strong late in the season and have obso perhaps Johnson will be the answer.

Which Celtic will try to stop Worthy, who's made 70 percent of his shots in the playoffs and averaged 22 points against Boston in last season's showdown? If it's Bird, will Rambis and Kevin McHale resume a confrontation that The defensive schemes should favor the Celtics, supposedly the more physical of the two
tackle of Rambis in Game 4 may have been the single play most responsible for spurring the Celtics to the title.

Said Celtic Coach K.C. Jones: "All I keep gun team in blowing through the finesse teams of the West. Part of the credit for the Lakers' big hearing about is how L.A. wants us, how they numbers rightfully belonged to its defense, in can taste it. I guess it's time to start playing.

Padres Down Phils, 7-2, for 7th Straight

PHILADELPHIA - Kevin 7-2 victory over the Philadelphia

BASEBALL ROUNDUP

Evert Lloyd in straight sets in the Phillies that extended the San Diego Padres' winning streak to seven

In a matchup of former Cy Young Award winners, LaMarr Hoyt pitched seven innings to beat Rocky Childress, following walks can't expect to repeat that again. A Steve Carlton. Rich Gossage came to Gossage and Gwynn. game like that only happens when on in the eighth and picked up his

metz, U.S., &-1, &-1; Gobrielo Sobotini, 14 Ar-

Belzner. West Germany, 7-6 (9-7). 7-6 (7-2); Penny Borg, U.S. def. Sobrino Gales. Yugaslo-via, 3-6, 6-2, 6-4; Isobelle Cueto, West Germany, def. Elizabeth Minter, Australia, 7-6 (8-6).

5-7, 6-3; Roselyn Fairbank, South Africa, def.

Auto Racing

The order of linish in Sunday's Indianapolis 300 (driver's name, car packe, average speed

dropping from race);

1. Danny Sullivan, March-Cosworth, 152,982

1. Sales Ser hour (245,74 kph), 200 loos. 2. Morto Andretti, Lola-Coswerth, 200 loos. 3. Roberto Guerrero, March-Coswerth, 20

14. Bill Whittington, Morch-Cosworth, 183.

26. Dick Simon, March-Cosworth, 86 laps, all

29. Tony Betternhousen, Lolg-Casworth, 31

Indianapolis 500

The Padres took advantage of a "But just knowing I can beat throwing error by third baseman Chris playing the way I did gives me confidence that I can go out and do it again."

Mike Schmidt to score three unearned runs after Bruce Bochy opened the fifth inning with his tered nine hits in his seven innings

"I felt all right, but had only fair chapman's double-play grounder stuff," said the winner, who scattered nine hits in his seven innings

rayo, Peru, 3-6, 6-1, 6-4, 7-6 (7-5); Sebodon Peru, 3-6, 6-1; Gabrieri Saudrini, 4-Ar-Zivolinovic, Yugoglavia, del. Septen Show, Britain, 4-6, 6-2, 4-6, 8-6; Henrik Sundstrom.

12, Sweden, def. Gebriel Urst, Spain, 6-3, 6-3, 6-3, 6-3, 6-1; Balazz Taroczy, Hungary, def. Thomas Muster, Austria, 7-5, 6-3, 7-5; Mais Willander, 4, Sweden, def. Thierry Tulasne, France, 6-1, 6-4.

Sweden, def. Thierry Tulasne, France, 6-1, 6-4.

Betzner, West Germany, 7-6 (9-7), 7-6 (7-2);

ton, safe when Schmidt threw high McReynolds hit a home run and to first on his ground ball, moved drove in four runs here Sunday in a up on Hoyt's sacrifice. Jerry Roysand McReynolds singled to make it

> McReynolds increased the lead to 7-2 in the ninth when he hit his sixth home run of the season, off

didn't have to be (in losing four in a row, the Phillies have scored five runs in 36 innings).

first homer of 1985. Garry Temple- of work. "But I managed to get them out. It feels good to win without my best stuff.

The Phils scored an unearned ter doubled to right to put the Padres in front, 2-1. After Tony Gwynn singled, Steve Garvey scored Royster with a sacrifice fly set up Carlton's sacrifice fly. The losers' other run came in the seventh on Schmidt's RBI double.

Mets 2, Dodgers 1

In New York, the Mets took advantage of shortstop Mariano Duncan's 10th error of the season to nip Los Angeles and end a fourgame losing streak. Mookie Wilson Hoyt wasn't in top form, but he singled with one out in the third off Rick Honeycutt and went to second when Duncan booted Kelvin

dez's bloop double to left scored Wilson and, after Gary Carter was walked intentionally and George Foster struck out, John Christensen walked on four pitches to force home Chapman with the eventual winning run.

Expos 3, Giants 1

In Montreal, Tim Wallach scored one run and drove in two with a pair of hits as the Expos won their third in a row - Jeff Reardon saving all three. Bill Gullickson allowed all six San Francisco hits, struck out six and walked one. Reardon worked the ninth for his 12th save of the year.

Cubs 10, Astros 8

In Chicago, Ron Cey had two homers and a double and Davey Lopes hit a two-run home run to power the Cubs to an uphill victory over Houston that left Chicago tied for first place in the National League East with New York.

Cards 7, Reds 2 In Cincinnati, Tom Herr and Willie McGee drove in two runs apiece as St. Louis climbed above .500 for the first time this season. The Reds' Dave Parker homered to stretch his hitting streak to 17

games, longest in the majors this Braves 5. Pirates 4

ia Atlania dinch-milier Chambliss's bases-loaded single over right fielder Doug Frobel's head scored Gerald Perry to cap a two-run 10th and end the Braves' five-game losing streak. Blue Jays 6, Indians 5

In the American League, in Cleveland, Toronto won its seventh straight on Jesse Barfield's two-out home run in the ninth. After fouling off seven pitches, Barfield drove Keith Creel's 2-2 fastball high over the left-center field wall for his 10th homer of the year. extending his hitting streak to 16 games and the Indians' losing streak to five. In the four-game series, the Blue Jays outscored

Cleveland by only 29-23. Royals 3, White Sox 2 In Kansas City, Missouri, Frank White led off the eighth with his seventh home run of the season to help the Royals complete a threegame sweep of Chicago and extend

their winning streak to five.

Brewers 5, Twins 3 In Milwaukee, rookie Earnest Riles had two hits and Robin Yount hit a two-run homer as the Brewers made it four in a row by downing Minnesota. With two outs in the third, Milwaukee hit for the cycle. Paul Molitor doubled off John Butcher; Riles singled him home and Cecil Cooper followed

with a triple before Yount's sixth home run of the year made it 5-0. Yankees 13, A's 1 In Oakland, California, Bobby Meacham went 4-for-4 with three RBIs and Billy Sample had four hits as New York buried the A's. Rickey Henderson, the former Oakland star, added three hits, scored twice and stole his 13th base in 13 attempts with the Yankees.

Angels 10, Orioles 4 In Anaheim, California, Ruppert Jones triggered a three-run third with a leadoff homer and Brian Downing added a three-run shot to rally California past Baltimore, The Orioles had pounced on Kirk

McCaskill for four runs in the first inning, Eddie Murray belting a three-run home run, his sixth of 1985, and Larry Sheets hitting a bases-empty shot, his seventh. Rangers 5, Red Sox 3 In Arlington, Texas, Cliff John-

son's three-run homer in the sixth gave Texas a sweep of its four-game series with Boston. The Red Sox have dropped 11 of 14. Tigers 6, Mariners 0

In Seattle, rookie Chris Pittaro drove in three runs to back Jack Morris's five-hitter as Detroit won its fourth straight. Pitching his second consecutive shutout, Morris walked four, struck out nine and went the distance for the fifth time (AP, UPI)

Tiger Snarls at 3-Ring Circus

SEATTLE — It sparkled, but that was no diamond in the center of Bill Scherrer's blue-and-

gold ring. The Detroit Tiger reliever furned when he learned that his 1984 World Series championship ring was an imitation of those awarded to many of his

"I don't wear it anymore," he said. "Maybe I'll give it to my parents."

Scherrer's ring was becoming tarnished, so he took it to a ieweler here last week, the day before the start of a four-game series with the Mariners. The appraiser said that what Scherrer thought was a diamond actually was glass, and that the ring was worth between \$90 and \$250. Other Tigers have said their rings are appraised at be-tween \$2,500 to \$3,100.

Team members voted after the season to decide which would get full shares of playoff and Series bonuses and which would receive smaller payoffs. The same system was used to

determine three versions of the championship ring.

Coaches, trainers and players with the club most or all of the 1984 season received 14-karat gold rings. Players who were with the club at least two months got 10-karat versions. Scherrer and Rod Allen, both with less than two months' service, received the least expen-

Schemer, obtained from Cincinnati in late August and with the Tigers for 32 days, also was voted a one-third share for the playoffs, A full share was about

"If they players wanted him to get a full share, they should have voted him a full share," said Jim Campbell, the team's president, "What does he expeet?" Campbell said that 118 rings distributed within the Tigers organization also were awarded on length of service. "! know of people who've put in more years than Mr. Scherrer and got the same ring he did." he said.



Cub Ryne Sandberg divested Astro shortstop Jim Pankovits of both ball and glove in a collision at second base Sunday.

SPORTS BRIEFS

Irwin Wins Memorial Golf by 1 Stroke DUBLIN, Ohio (AP) - Hale Irwin took the lead from Lanny Wadkins

with a two-shot swing on the fourth hole and went on to a one-stroke victory Sunday in the Memorial golf tournament.

The 18-year veteran needed only a closing par-72 to register his 17th PGA victory and his first since the 1984 Bing Crosby National, Irwin won with a 281 total, 7-under par, and joined Jack Nicklaus, the tournament's founder, as the only two-time Memorial winners.

Wadkins had a one-stroke lead when final-day play began but lost it when he bogeyed No. 4 from a bunker and Irwin sank a 12-foot birdie

Proud Truth Takes Peter Pan Stakes

NEW YORK (AP) — Proud Truth established himself as the horse to beat in the Belmont Stakes by registering a 1½-length victory over Cutlass Reality in Sunday's Peter Pan Stakes for 3-year-olds at Belmont Park.

Proud Truth, carrying 126 pounds and ridden by Jorge Velasquez, covered the 1½ miles in 1:47-3/5 over a fast track. Cutlass Reality, 114 miles Appel Corders held well to be supportuning the field of range. It was with Angel Cordero, held well to be runner-up in the field of seven. It was Proud Truth's fourth victory in eight starts this year.

SCOREBOARD

French Open

ider Chile del Brod Gilbert 15. U.S. 7-5. 7-6 (7-5). 6-4; Andres Gamez, 5. Ectuador, def. Povel Slozii, Czechosłovaklo. 6-1, 3-6, 6-3; Dan Cossidy, U.S. def. Klous Heart Lecome, France, der. 1 m Wilkson, U.S., 7-5, 6-2, 6-1; Possol Portes, France, det. Ivan Klev, Brazil, 7-5, 6-4, 7-6 (7-4); Mark Flur, U.S., det. Mark Edmondson, Australia, 6-2, 7-6 (7-5), 6-4; Simon Youl, Australia, def. Mike Le&ch, U.S., 5-7, 6-4, 6-4; Dorren Cahill. Auttralia def. Mark Dickson, U.S., 3-6, 6-2, 6-1. 2-6, 14-12; Jorge Arrese, Spain, det. Givaldo Barbasa, Brazil, 6-4, 3-6, 7-6 (7-5), 6-3.

Transition

BASSBALL

O'Brien.
Southern League.
SEATTLE—Placed Garman Thomas, destoy Thomas Private chic Coast League. "George Wright, outfletcos, plicher, from Colocry o

ne-Pacific Coast League
TEXAS—Optioned George Wright, outlieldthe Okiahama City of the American Association. Purchased the contract of Chris Welsh,
Pitcher, from Okiahama City.
Patiened Football Lague
DENVER—Stand Steve Prica, wide re-

ervis besketbell cooch. INDIANA UNIV.-PURDUE---Announced

NORTHEAST LOUISIANA-Dismisse bell coach.
SAN FRANCISCO STATE—Named Timethy Franklin men's basketball coach and
Commerces Buckless wannen's basketball coach.

Golf

MEMORIAL TOURNAMENT 7,106-yard, par-72 Mulrifield course in Dublin, Ohlo (a-di Hale Irwin, \$100,000 68-66-73-72-28 Lonny Workins, 560,000 Bill Krotzerf, 537,790 69-72-67-74—752 69-77-77-73—754 George Burns, \$22,963 Corey Povin, \$22,963 Keith Fergus, \$22,963 72-74-70-70**---73**6 73-72-69-72--**-**784 73-72-47-72-284 73-70-70-74-227 76-72-70-69-388 70-72-75-71-288 74-74-74-67-389 71-71-74-73-389 70-74-70-75-389 Bill Ropers, \$18,610 Juck Ronner, \$16,665 Gil Morgon, \$16,665 Paul Azinger, \$12,856 Doug Tewell, \$12,856 Mork O'Meare, \$12.856 Lon Hinkle, \$12,856 ble. \$12.856 Bob Murphy, 59,633 D.A. Welbring, \$7,390 Ray Floyd, \$7,390 Payne Slowart, \$7,390 72-74-73-72--291

BRITISH PGA CHAMPIONSHIP to Levenson, S. Arrico 94,300, 16-72-72-72-307 Art Russell, U.S., 94,509, 74-70-72-49-327 Antonio Gorrido, Spoin, S3,708 72-74-74-65-268 Michael Kina, Britoin, S3,708 73-70-72-70-268 Dovid Fetherty, Britoin, S3,708 73-70-73-69-269 Ber. Galiocher, Britoin, S3,200 73-70-75-69-269

Football EASTERN CONFERENCE PCI, PF PA .872 374 225 .4G 335 298 .4G 346 304 .571 329 317 3 1 ,750 349 261 5 0 ,643 367 291 5 0 ,643 274 701

Major League Leaders

NATIONAL LEAGUE .385 .342 Porker Cin McGee StL V. Hayes Phi Murphy All Walling Hin C. Renolds Hin Puhl Hin Gwynn SD 333

Rinsi: Sandhers, Chicago, 31; Gwynn, San Diaso. 29; Harr. St. Louis, 22; McGee, St. Louis, 28; Murphy, Atlanta, 28, R81s; Herr. St. Louis, 35; J. Clark, St. Louis, 25; Murphy, Atlanta, 34; Parker, Cincinnati, 29; McPanalite, San Diaso. 28

cresh. 15. John Paul Jr., March-Cosworth, 164 laps. PITCHING
West-lest/Wieslest pcd./ERA: Howkins, Son
Diego, 9-0, 1,000, 2.61; Hershker: Los Angeles,
4-6, 1,000, 1.94; Knesper: Houston, 4-0, 1,000,
3.97; Andulor: \$1,Louis.-8-1,.889,3.10; 4 are fied
with 1831:
Strikesses: Gooden, New York, 75; J.DeLeon, Pithsburgh, 70; Ryan, Houston, 88; Voisnizuelo. Los Angeles, 67; Solo, Cincinnoti, 60,
Seves: Gossope. Son Diego, 11; Reurdon,
Montreol, 12; La.Smith, Chicogo, 11; Power,
Cincinnoti, 8; Surter, Aliama, 8. PITCHING crosh.
16. Jim Crowford, Leia-Cosworth, 142 kgps.

21. Rick Mears, March-Cosworth, 122 laps, AMERICAN LEAGUE

Object Cle 41 147 15 45 306 Russ: Davis, Oakland, 39; Ripken, Baitt-nore, JT; Srunarsky, Minnesota, 29; Hender

nesota. 56; Garcia, Taronto. 54; Wilson, Kan-ana City, 53; Bradley, Seattle, 52. sea City, 33; Bradley, Seattle, 52.
Doubles: Buckner, Boston, 13; Mattingly,
New York, 13; Gaettl, Minnesota, 11; Hatcher,
Minnesota, 11; Lamon, Defrolf, 11; Moseby,
Terenta, 11; Orta, Konsas City, 11.
Tribles: Wilson, Konsas City, 11.
Tribles: Wilson, Konsas City, 3; Cooper,
Milwoukee, 5; Butler, Cleveland, 4; Bradley,
Scattle, 4; Petils, California, 4; Puckett, Minnesota, 4.

SOR, New York, 12. PITCHING
Www-lost/Wissing PCI/ERA: Lamp, Toronto-l. 1000, 201; Rammalick. Colifornia. 6-1,
857, 1.65; Gibson, Milwaukee. 5-1, 833, 245;
Terrell, Deitrolt, 5-1, 833, 431; Acse. Baiti-

Stritecets: Morris. Defroif. 66; Clemens, gon Diego Boston. 68; Borto, 68; Bontolster, Chi-Cloco, 54; Hought, Texos., 50.
Saves: Hernondez, Defroif. 10; Howell, Ock. Los Afgel land. 10: Coudill, Toranta, 9; Maare, Califor

Baseball

Florin Separcianu, Romania, def. Paul Annocona, U.S., 7-6, 1-7 (4-7), 7-6 (7-4), 6-2; Marcas
Hocewar, Barati, I.de, Mike Bouer, U.S., 4-6, 4-6, 4-7 from Warneke, U.S., det. Pablo Ar4-6-64; Tom Warneke, U.S., det. Pablo Ar4-6-65; Company Separation, Gef. Microsophysical Separation, Gef. Beverley Mould, South Africa, 6-2, 6-1; Emilias Report-Londo, Harris Report-Londo, Argentino, Gef. Microsophysical Separation, Gef. Micros

: McReynolds, San Diego, 28. Hits: Herr, St. Lauis, 57 : Parker, Cincinnail, 6; Cruz, Housion. 55; Garvey, San Diego, 50; !. Hayes, Philiadelphia, 50.

Doubles: Parker, Uncomon. 14; Gaying on Diego, 13; J. Clark, St. Louis, 12; Walloch, Annreal, 12; Modlock, Phisburgh, 11; San Diego, 13; J. Clerk, St. Louis, 12; Watloch, Montreel. 12; Modlock, Philsburgh. 11; V. Hoves, Philodelohic. 11.
Triples: McGee, St. Louis, 6; Raines, Montreal, 5; Gladden, San Francisco. 4; Gevran, San Diego, 4; M. Wilson, New York, 4.
Home Runs: Murphy, Atlanta, 11; Cey, Chicaso, 8; J. Clark, St. Louis, 8; Parker, Cincinnett, 8; Marshall, Los Angeles, 7.
Stoles: Bases: Coleman, St. Louis, 29; McGee, St. Louis, 17; Dernier, Chicago, 16; Gladden, San Francisco, 14; M. Wilson, New

more, Jr.; Brunansky, Minnesota, 29; Heinder son, Naw York, 29; Whitaker, Deirolt, 29, RBIs: Matthingi, New York, 38; Brunansky, Minnesota, 33; Davis, Oakland, 29; Bayler, New York, 31; Ripker, Boltimore, 31.

egata, 4. Meme Rens: Armas, Baston, 13; Brun. registy, Minnesoto, 12; M. Davis, Ockland, 12; Kingman, Ockland, 17; Borileid, Toronto, 10; Presievy, Seattle, 10. Stelen Beste, Pettis, California, 22; Collins, Ockland, 17; Builer, Cleveland, 15; Garcla, Toronto, 14; Mosely, Toronto, 13; R. Hender-

more. +1, 200, 521; Petry, Detroit, \$-2, 200, 120.

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> 000 070 110 1—4 8 1 000 000 003 2—5 11 1 Reuschel. Guante (7), Candelaria (8), Krawczek (18), Halland (18) and Pena; Mah-ler, Sufter (9), Dedmon (10) and Benedict, W— Dedmon, 2-0. L.—Krawcyzk, 0-1. HR—Pilts-turgh, Mediock (2). Scott, Dowley (6), Ross (6), DiPino (8) and

(9) and Knicely. Von Gorder (8). W-Cox. 5-1.

Ashty: Fortenot, Brusstor (a), Frazier (7), Smith (a) and Davis, W—Frazier, 2-1, L— Ross, 0-2, 5—Smith (11), HRs—Chicope, Cev 2 (8), Lapes (4). AMERICAN LEAGUE Leai, Lamp (6), Lavelle (8), Caudill (9) and Martinez; Clark, Creel (4) and Benton, W— Lavelle, 2-0, L.—Crael, 0-3, Su—Caudill (9). HRS—Taranta, Upshaw (5), Barfield (16). Cleveland, Vukovich (1). 104 000 90x-5 6

Butcher and Laudrer: Hisuers, Gibson (7) and Stramons, W—Higuers, 2-2 L—Butcher, 4-3, Sv—Gibson (1). HR—Milwaykee, Yount (6). Chicago Kansas City senborry (9) and Wathan, W-Black 5-1, L-James, 1-2. Sv-Quisenberry (8). HR--Kon sus City, White (7).

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tormia. Jones (6), Downing (4).
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Guldry, Shirley (9) and Wynegar; Krueger,
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Major League Standings AMERICAN LEAGUE

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sive models.

INTERNIT

BRATIN BL

putt. Wadkins, who finished 74/282, never led again, Bill Kratzert closed 73/284, while at 286 were George Burns, Keith Fergus and Corey Pavin.

Andy North, \$7,390

(At Weatworth, England: Par 72) x-Paul Way, Britain, \$37,090 75-72-67-66—282 steros, Socia, \$10,300 73-71-73-67--784 S. Soliesteros, Societ. 210,00 73-71-73-64-204 Mile McLoon, Britonin, 83,00 77-70-77-205 J.-M. Conizares, Spain, \$6,000 71-75-73-67-226 John Blond, S. Africa, \$6,000 76-67-75-68-206 Corl Mason, Britoin, \$6,500 75-77-73-74

Sandy Lyle, Britain, \$25,000 71-49-73-69-282 ken Brown, Britain, 519,300 70-72-79-72—284

67-75-71-76--789 72-70-72-75--289 70-72-76-72--290 67-77-71-75-**-**290 69-73-72-76--290 72-74-71-74-291 71-70-75-75-291 John Jocobs U.S. 77-4-77-291 John Jocobs U.S. 77-4-77-291 Ossie Moore, Australia 77-71-79-291 Michel Taplo, Franca 74-77-71-49-291 V. Fernandez, Argentina 73-57-971-291 Sharit Revse, New Zeoland 77-72-70-72-292

Memorial winner Hale Irwin.

TUESDAY, MAY 28, 1985

FUTURES AND OPTIONS

New Links: Chicago-Tokyo And Philadelphia-London

By H.J.MAIDENBERG

New York Times Service

EW YORK - The universe of financial options and futures trading expanded further last week, as the Philadelphia Stock Exchange and the Chicago Mer-cantile Exchange moved to establish ties with markets in London and Tokyo, respectively. Last Thursday, the Philadel-phia and London stock exchanges agreed to form what will be, in effect, a single market in British pound options. If the arrange-ment is successful, the Philadelphia exchange's other foreigncurrency markets may be wedded to London's

A day earlier, the Chicago Merc obtained the right to trade futures and options based on

two major Japanese stock market averages, the Nikkei

225 and 500. Over the weekend, Leo Melamed, the former chairman of the Chicago Merc who was the architect of financial futures, and his friend and longtime

u 3-Ring Circu

Philadelphia and London are to form a single market in pound options.

adviser, Milton Friedman, a winner of the Nobel Memorial prize for economics, were scheduled to go to Tokyo to discuss further ties between the Chicago exchange and the Japanese financial community.

Soon, top officers of the Philadelphia exchange will also be heading toward the Far East. But not before the oldest United States and British stock markets forge their link, said Nicolas A. Giordano, president of the Philadelphia exchange, which was established in 1790 and patterned after the London market.

What we and our friends in London are doing is creating one market in British pound options, where buyers of contracts in. say, London, can sell them in Philadelphia and vice versa," he said. "Trading will be in dollars and the trades cleared by London's International Commodity Clearing House, and our target opening day is Aug. 30."

NTIL then, Mr. Giordano and David Steen, chairman of the London exchange's options committee, will have to design an operating plan that can meet the approval of the Securities and Exchange Commission, the Commodity Futures Trading Commission and the Bank of England, which performs more or less the same regulatory duties in Britain.

"Our discussions with the top people in all three regulatory bodies thus far have been most encouraging." Mr. Giordano said.
"Now what we two exchanges must do is design a trans-Atlantic trading system without tax loopholes, and we are sure we can." Meanwhile, in a move full of symbolism, Clayton K. Yeutter, the administration's choice as new U.S. trade representative, performed his last act as president of the Chicago Merc last Wednesday by signing an agreement with Takashi Suzuki, direc-

the Merc rights to trade futures and options based on the big Japanese financial publishing house's market averages.
William J. Brodsky, the Chicago Merc's new president, said his exchange would first trade futures on the Nikkei 225 and 500 indexes, and then options on these futures.

tor of the Nihon Keizai Shimbun's Data Bank Bureau, that gives

While the opening trading date has not been set, the Merc plans to sublicense the two contracts to the Singapore International Monetary Exchange or Simex, with which it established a link last September.

But Mr. Melamed, who is still the most dominant figure in the industry, although he prefers to be known as simply the head of his trading company, Dellsher Investments, has grander plans for

"For years, we have known that the Far East will be the growth area for our industry from here on out," Mr. Melamed said in a recent interview in Chicago. "That's why we worked to get the connection with Simex. This October, Tokyo is expected to open (Continued on Page 16, Col. 7)

Currency Rates

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1.48 4391 112,05° 36,95° 0.1769° — 5.689° D.139°
61,775 71.44 22,131 4.694 0.1582° 17,825 — 21,939
1,985 1286 — 32.72° 1.597 8.46° 4.59° 118,90°
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1,975,90 1,776,81 1,777 9.44 1,975,81 1,07 62,25 2,608
9 — 0,746,8 2 10,97 9.44 1,975,81 1,07 62,25 2,608
251,45 31,74 10,75 24,58 12,48° 71,49 40,77° 96,09
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Interest Rates

Starting Franch Franc 18%-18% 12 %-12 % 18%-18% 12 %-12 % 18%-18% 12 %-12 % 18%-18 % 12 %-12 % 18%-18 %

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United States

Currency per U.S. Currency per U.S. Argen, sees 52.08 Fig. merklor 6.43 Augstra. 5 1.480 Argen, sees 124.00 Argen, sees 124.00



Kiyoshi Inoue, president of Inoue Japax Research and Japax Inc. venture companies, at the Inoue plant in Yokohama.

Venture Firms Face Hard Times in Japan

businesses devoted to developing high-tech-nology products face a formidable number of

social and economic obstacles, they say.

Top university graduates still shrink from

By Susan Chira
New York Times Service
YOKOHAMA, Japan — All day long,
researchers wander in and out of their glasswalled laboratory here, running the experiments that turn out several new inventions each day. They have no regular assigned hours and no dress code, and work on a bonus system with only modest fixed salaries. Outside, they can see what looks like a

president's affection for felines. The president is Kiyoshi Inone, an eccentric individualist. And his two companies --Japax Inc. and Inoue Japax Research — are not only unconventional, but standouts as well in an economy where freewheeling venture businesses are rare. His companies are

often cited as among the few here truly en-gaged in high-technology research. But he is

pan seem likely to break out over an industry group.

semiconductors as demand slows.

"Isn't it time for the United

What is happening in semicon-ductors is no different from what

The deficit broadened

happened in autos, steel, textiles or though Japan shipped 4.9 percent

anything else — a basic Japanese fewer chips to the United States

marketing strategy that produces in than in the 1984 quarter, a reflec-

New York Times Service

TOKYO — New trade frictions

between the United States and Ja-

semiconductors as demand slows, world prices fall and the trade defi-

The U.S. government recently

asked Japan to consider advising

makers to slow their investments in

semiconductors, a proposal Japan greeted coolly. Some U.S. makers

have even suggested import quotas for semiconductors, the electronic

chips that process or store data in

And some analysts express

broader concerns - that the Japa-

nese chip makers' market strate-

gies, including large capital invest-

their U.S. counterparts.

May 24/ May 27

1,8345

ments, may propel them ahead of

cit with Japan widens.

working for any but the largest companies and managers still frown on the mobile em-ployee. The venture-capital industry is under-Japanese-style doghouse, complete with tiled roof and four cats, a tribute to the company developed and cautious. Finally, Japan's tax system and capital markets provide few incentives for potential investors. "I am not confident about the existence of

representative in Tokyo of the

American Electronics Association,

States industry to think up defen-

about indications of Japanese ad-

vances in producing logic chips, a type of semiconductor in which the

year, according to statistics com-piled by Japan's Ministry of Fi-

nance. The overall trade gap was

The deficit broadened even

U.S. makers are also worried

sive measures to cope with it?"

a venture boom," said Hideyuki Yamamoto, chief economist of the industrial research division of the Long Term Credit Bank of Japan, the first company to establish a ven-ture capital business, in 1972.

Last year, the bank conducted a survey of

United States has generally held share of the U.S. market to about the lead. Japan is already considered to be dominant in another the U.S. share of the Japanese market to be dominant in another the U.S. share of the Japanese market to about 18 percent, from 13 percent, while the U.S. share of the U.S. share

major type of semiconductor, the ket, about 11 percent earlier this

In the first quarter of this year, On a recent trip to Tokyo, Lionel the U.S. trade deficit with Japan in R. Olmer, under secretary of con-

Slump in Chip Sales Brings Threat of New U.S.-Japan Dispute

cials argue that if something is not

done, the slump in the U.S. indus-

try, and the continued imbalance in

semiconductor trade, will breed

According to estimates by the

Semiconductor Industry Associa-

tion, a California-based trade

group, Japan last year expanded its share of the U.S. market to about

18 percent, from 13 percent, while

that Japanese companies had made

efforts early in 1984 to order U.S.

half of the year.

fierce new conflicts.

among the first to say that in Japan, the environment for venture businesses is harsh. nearly 200 venture businesses, and some of the findings were not encouraging.

Compared with American venture busi-

His assessment is echoed by many busi-nessmen and government officials. Small nesses, said Toshiaki Tanaka of the bank's industrial-research division, a typical Japanese venture was more often a spinoff from an established business or the result of a traditional company switching its product line to a high-technology one. Japanese ven-tures also grew more slowly and achieved fewer technological breakthroughs than American companies, he added.

No one is certain how many genuine ven-ture businesses exist here, but officials at the Ministry of International Trade and Industry say that perhaps only 300 are actually highhnology ventures.

If a company does have new technology, it has little chance of receiving money until it is two or three years old. Few of Japan's 40 or (Confiamed on Page 16, Col. 7)

Goldsmith Sets A Peace Accord With Zellerbach

By Richard W. Stevenson New York Times Service

NEW YORK -- Crown Zellersmith, apparently coming to peace control of the forest-products con- in late April, the company would cern, have announced that they will be left in three pieces, with sharecooperate in restructuring the com- holders keeping a stake in each.

In a joint statement, Crown Zelthat they would "work together to maximize shareholder values through restructuring Crown Zellerbach" and that Sir James would be elected to the company's board Tuesday.

In return, Sir James, who owns slightly more than 25 percent of Crown Zellerbach's outstanding shares, agreed to several restric-tions on his ability to increase his stake in the San Francisco-based company. All litigation between the two parties has been suspended, the statement said.

Sir James had run for a seat on Crown Zellerbach's board at the company's annual meeting on May 9. The results of that vote have not been tabulated, but a Crown Zellerbach spokesman, Lawrence Kurtz, said that it was likely that Sir James had won a seat. Sunday's statement said Sir James would become a board member without awaiting a final vote count.

Mr. Kurtz said that Crown Zel-

lerbach expects to file a formal statement regarding its restructuring with the Securities and Exbach Corp. and Sir James Gold- change Commission within 10 days. Under the restructuring plan, terms after a five-month battle for which Crown Zellerbach proposed

Sir James has said he generally favored the restructuring, although lerbach and Sir James said Sunday he disagreed with some elements of the plan.

The agreement came after : meeting on Saturday in New York City between Sir James and William T. Creson, Crown Zellerbach's

The fight over Crown Zellerbach began in December when Sir James revealed that he planned to assemble a significant stake in the company. At the time, Crown Zeller-bach's stock was trading at about \$29 a share. In early April Sir James began a \$42.50-a-share bid for the company, but Crown Zellerbach rejected it as too low, adding that it would consider offers of \$60 a share or more.

The Goldsmith offer was complicated by Crown Zellerbach's "poison-pill" provision, enacted to make it prohibitively expensive for a bostile takeover suitor.

In late April Crown Zellerbach proposed its restructuring, which would split the company into a liquidating limited partnership owning Crown Zellerbach's timber lands; a separate, publicly traded concern whose main business would be packaging; and the remaining paper operations of the original company.

After Crown Zelierbach made its restructuring proposal, Sir James canceled his bid and rejected an offer of two seats on the board.

He took his fight to the annual meeting, but apparently lost there in his attempt to rescind the poison pill and to place three candidates on the board — although his stake in the company was probably enough to ensure his own election.

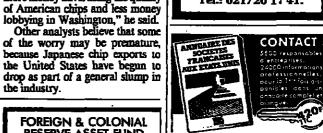
Crown Zellerbach's common shares closed at \$40.75 in New York Stock Exchange trading on Friday, down 25 cents a share.

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up to a total of BF 10 billion, as

and when required and as per-

mitted by the state of the mar-

ket. Finally, the meeting also

passed the proposal to set up

an Advisory Board with effect

from 6 May 1986. This Advisory

Board will comprise a maximum

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later," said John P. Stern, senior U.S. chips were off by 18.5 percent. ing would enable them to flood the consider the matter of investment representative in Tokyo of the U.S. chip makers and trade offinanker with inexpensive chips. market with inexpensive chips. adjustment the essence of a free-Plant and equipment investment market economy." by the Japanese semiconductor in-Clyde Prestowitz, counselor to dustry in the fiscal year ended in March increased 60 percent, to Commerce Secretary Malcolm Baldrige, said, "It's not the business of

more than \$3.6 billion, according the United States government to to the Japan Economic Almanac, tell the Japanese how much to inpublished yearly by Japan's leading business newspaper, Nihon Keizai Shimbun. The chip industry bevest, but if you can see ahead of you a potential firestorm, you have to think about how to deal with it." came Japan's largest capital inves-Japanese officials say, however, tor last year, the Almanac reported. that a substantial number of the semiconductors counted as Japa-

Mr. Davis said that although

panies with chip plants in Japan

Others believe that for the U.S.

For example, said Mr. Stern of

the American Electronics Associa-

tion, U.S. semiconductors are equal

in quality to the Japanese ones, but

would achieve more long-term

drop as part of a general slump in

FOREIGN & COLONIAL

RESERVE ASSET FUND

industry to remain competitive,

broader measures are necessary.

would be hurt.

We are concerned that the tremendous capacity buildup occur-ring in Japan could in fact swamp nese exports to the United States are made in Japan by Japanese sub-sidiaries of U.S. companies. said Warren Davis, a spokesman for the Semiconductor Industry Association, in a telephone insome members of the Semiconducterview from California. tor Industry Association favored

chips was \$193.4 million, up from "H. Olmer, under secretary of com-\$163.4 million in the quarter last merce for international trade, said The Japanese government, how-quotas, others opposed them fer-yer, has declined to ask the indus-vently, arming that the U.S. comchips, but that these orders had started to drop off by the second

try to reduce investment.
"Do you believe that Americans could ask that in the name of the

Mr. Olmer said that industry pressure was growing to take action

United States government?" asked Makoto Kuroda, director-general against Japan, with makers fearing of the international trade policy volume, buys market share at low tion of lower overall demand. Durthat a Japanese buildup in capacity bureau of the Ministry of Interna-prices and then marks up products ing the period, Japan's imports of at a time when demand was slow-tional Trade and Industry. "We

due to rise by 6 percent for the year,

The situation prompted Mr. Ma-

Export performance was a severe

But other officials noted that the

economy traditionally gets a sec-ond-half boost from tourism and

were up 10 percent.

the Japanese perceive their products to be superior. "The United States industry sales results in Japan if it spent more money advertising the quality

Yugoslav Economy Mired in Heavy Foreign Debt Inflation and Dwindling Currency Reserves Add to Fading Hopes for Upswing

By Richard Balmforth

Reuters

BELGRADE — Soaring inflation, poor export performance and dwindling foreign-currency re
my, Yugoslavia has won International Monetary Fund support for coordinated debt-rescheduling packages by its creditors.

Expure of Western pations Internations of the coordinated debt-rescheduling packages with the coordinated debt-rescheduling packages and the coordinated debt-rescheduling packages are considered. serves have dashed Yugoslavia's hopes for an upswing of its debt-

Currency per U.S.S Currency per U.S.S Maley, riug. 2-672 S. Kor, won 873,00 Mer. pero 253,50 Sem. person 774,15 Sem. person 174,15 Tunibun 5 27,45 Sem. person 174,15 Tunibun 5 27,45 Sem. person 174,15 Se relief package have hit snags with the mainly Western creditor gov-Sources: Banque du Beneiux (Brusseis); Banca Commerciale Hollona (Hillan); Banque Na-Honale de Paris (Paris); IMF (SDR); BAH (dinar, rival, dirtam), Other data from Reuters and mercial banks who have questioned rescheduling terms.

> including a \$750-million currentaccount surplus and reduced trade

Yugoslavia has embarked on an export-oriented, long-term plan for economic recovery to help sustain payment of hard-corrency foreign debts of \$18.8 billion.

Creditor governments, which do not usually grant multi-year reschedulings to debtor countries, have agreed to reschedule \$800 million

In the fairing econtric my had brought the country "to the what people will tolerate."

The government has returned the

to \$900 million of Yugoslav debt falling due up to May 1986, but have postponed a decision on debt they had risen more than 20 perdue up to 1988. Commercial bank creditors have

agreed in principle to the idea of a multi-year rescheduling but the two sides now are haggling over interest rates for refinancing \$3.4 billion due up to 1988.

"We have no way out if inflation remains so high," said the national bank governor, Radovan Makic. Many officials have said that the price spiral was inevitable after IMF insistence that artificial price

Prices May Aug. Nov. Valeurs White Weld S.A. 1, Quai de Mans-Blas-1211 Geneva 1, Switze Tel. 316251 - Telex 2

internal adjustments to its econo- The lifting of a price freeze on cent in the first four months of this my, Yugoslavia has won Interna-tional Monetary Fund support for described as pent-up inflationary Di Diplomats have said that Yugo-

pressures," triggered a substantial slavia has much ground to cover to

packages by its creditors.
Fourteen Western nations, Japan and Kuwait, and 600 creditor commercial banks rescheduled Yuses of the lMF, Yugoslavia has raised port performer trains on fixed-time depositions, but there was only 1-percent considerable of the local port of the local por its to 70 percent to tie them closer growth in the first quarter. Imports. to the inflation rate. But with inflation surging so rap-

idly, many experts have said it is doubtful that this will encourage kic to tell parliament on May 14 more people to save.

Officials are worried about the sinking to a dangerously low level. Officials are worried about the

prospect of keeping social peace if living standards in this nation of 22 million people continue to slide. They have dropped 50 percent in four years. Prime Minister Milka Planinc

told The New York Times earlier this month that the faltering econo-The government has returned the

prices of 18 groups of industrial products to February levels after

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International nv Quotes as of: May	2% 23, 196	
Quotes as or: May	23, 190	S

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At the Amusi General Meeting held on 7 May the shareholders approved the accounts for the year to 31 December 1984. They also approved the payment of a net dividend of BF 96 per 'part de réserve', as against BF 90 for the year to 31 December 1983, and BF 107.5 on the AFV 'parts de réserve' created at the time of the capital increase in November 1983.

The improvement in the Company's results is due to a marked rise in dividend income (+25.9%) coupled with a major reduction in interest and commissions payable. Following the new public offer

of 'parts de réserve' made in 1984 Société Générale's own funds amounted to nearly SF 40 billion as at 31 December 1984. The two capital increases which have taken place in the last two pany's own funds by BF 12.969 billion. At the end of the 1984

proposal to amend the Company's articles. As a result, the Board is authorized to effect one or more capital increases.

of 18 members chosen from shareholders' representatives and leading figures in Belgian and foreign economic circles. The Company's Annual report can be obtained from Social Générale de Belgique, Information Department, Rue Royale 30,

Bishopsgate, London EC2N 4AD (tel. 1/28310 sing the raply coupon below	
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years have boosted the comnote and the weekly INVESTORS ALERT newsletter will be sent free and without obligation. financial year the company's investment holdings were estimated at BF 57.3 billion. The subsequent Extraordinary Post Code, City .

74-74 74-74 74-8 84-84 84-84 Discount Rate Federal Funds Prime Rate Breker Lean Rate Cent Paper 90-179 days Source: Reuters, 2-capath Treasury Bills 6-ments Treasury Bills CD's 36-57 days CD's 46-87 days U.S. Money Market Funds West Germony * May 24 Marrill Lynch Ready Assets 30 day average yield; Telerate Interest Rate Index: 7465 Source: Marrill Lynch, AP Gold May 24/ May 27 12% 12% 12% 12% 12 12 1/16 Hose Kees 314,75 315.35 Laurenbeurg 317.25 37.25 Paris (12.5 kile) 314.25 315.00 Landen 314.25 314.76 Hew York 314.59 6 1/16 5 15/16 5% 670

716 715 716 713/14

Markets Closed

Financial markets were closed Monday for holidays in the United States, Britain, West Germany, France, Switzerland, South Korea, Austria, Belgium, Denmark, Luxumbourg, the Netherlands and Norway.

In Tokyo, Milan United Press International LONDON - The dollar closed slightly lower Monday in Tokyo and slightly higher in Milan, the only two major mar-

kets open for trading.
All U.S. markets were closed for the Memorial Day holiday and other European markets were shut for Whit Monday. The dollar's rise was seen as a continuation of a strengthening in New York Friday that took the dollar to 3.0805 German Deutsche marks, a key techni-

Many U.S. and European

cal level.

dealers expect the dollar to rise when markets reopen Tuesday. These dealers cité a decidedly more optimistic tone to the market and the fact that there are no U.S. economic reports to be released until later in the week. In Tokyo the fell slightly to 251.40 yen from Friday's closing rate of 251.425 yea. In Milan the dollar finished at 1,975 lire, up from 1,968.30 on Friday. Trading was light on both markets.

burdened economy.

At the same time, negotiations with creditors on a multi-year debt with creditors on a multi-year debt Now the country is seeking a relief package have hit snags with the mainly Western creditor gov-ernments cool to the idea and com-

end of 1988. But the specter of rampant inflation is casting a shad-The bad economic news fol- ow over Yugoslav efforts to revive lowed last year's encouraging signs, an economy characterized by singgish production, imprudent investment in high-risk ventures, internal "illiquidity" of the national curren-

cy and companies that by Western standards seem chronically overmanned and poorly run. In exchange for pledges to make

Dollar Is Mixed

Earlier this month, the Bureau of

Statistics said that the annual inflation rate was 85 percent and goverriment officials have said that three-figure inflation is around the

restraints be abandoned.

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BUSINESS ROUNDUP

Italy Told to Consider 2d Bid for SME Group

ROME - An interministerial committee decided Monday that Italy's state-owned holding group should not proceed with the sale of ils food group, Società Meridionale Finanziaria SpA, until it evaluates

a last-minute counter-bid. SME is controlled by Instituto Ricostruzione Industriale, which agreed last month to sell most of its sion would be made until IRI had stake to Finanziaria Buitoni SpA, an international manufacturer and

distributor of foodstuffs. The committee had been expected Monday to approve or reject the consortium's bid.

Buitoni's 497-billion-lire (\$247-

But on Friday, an anonymous consortium made a counter-bid of 550 billion lire for SME. IRI has

Indonesia to Ease Oil Industry Rules

JAKARTA — Indonesia soon will announce measures to simplify and speed up import procedures for the oil industry to encourage exploration by foreign contractors, Subroto, the mining and energy minister, said Monday. Customs checks on imports of drilling and exploration equipment

will be waived following recent deregulation measures at Indonesian ports, he said. Mr. Subroto also said that shorter and simpler procedures will be introduced to reduce import

the rival bid. But Italo Scalera, a lawyer representing the consortium, said Friday that some of the bidders were SME suppliers.

The state participation minister. Clelio Darida, said that officials at Monday's meeting were sympa-thetic to the sale of SME to private interests. But he said that no deciexamined the alternative bid.

IRI said that it had not been given a deadline for submitting to the government its examination of

Earlier, SME management told Mr. Darida that they favored an agreement with Buitoni. "The only possible Italian partner with a significant international presence is Buitoni." SME said in a Telex to

A spokesman for Buitoni declined to comment on the committee's decision. Buitoni is owned through a holding company by Carlo de Benedetti, the industrialist who also heads Olivetti SpA, the office products and electronics Trading in SME stock was sus-pended Monday on Italy's eight

stock exchanges. A spokesman for the Milan bourse, the nation's largest, said that the suspension was a routine action pending the commit-Meanwhile, a state law official

on Saturday ordered an investigation into negotiations between SME and Buitoni to look for possible market malpractices relating to

The Perpetual Calendar

Japan Will Ease Controls On Its Shipping Industry

TOKYO - Japan will ease controls on its shipping industry to help operators remain internationally competitive, sources at the Ministry of Transport said Monday.

They said the decision would be made after the ministry's advisory panel, the Council for Rationalization of Shipping and Shipbilding industries, presents on June 5 its proposals from a study begun in

The panel is expected to urge the ministry to ease its current policy and allow Japanese shipping lines to reorganize into six major groups to increase their ability to compete.

The ministry would then allow the leading operators in the six groups to reduce their stockholdings in their subsidiaries to make it easier for them to raise funds, they said. Under current policy, six leading lines own more than 30 percent of the shares in their groups. The six are Nippon Yusen KK, Mitsui OSK Lines Ltd., Japan Line Ltd., Yamashita Shinnihon Steamship Co., Kawasaki Kisen Kaisha Ltd. and Showa Line Ltd.

The rigid system has made it difficult for shipping companies to raise funds through convertible bond issues and new shares, the

sources said. The advisory panel's proposal will also pave the way for the six operators to serve the Japan-North America route independently. enabling them to offer more flexible service. Since 1968 the six lines have operated a group space-charter system in which they divide cargo among the vessels of different companies.

COMPANY NOTES

Barlow Rand Ltd. said its earnings for the first half of the fiscal year fell 10 percent to 67.7 South African cents (34 cents) a share, from 75.7 cents a year earlier. It said it anticipated that its ordinary dividend would be maintained at 70 cents for the full year.

Empresa Nacional de Fertilizantes SA, Spain's state fertilizer company, said it had a net profit of 145 million pesetas (\$833,000) in

1984 after a 1.4-billion-peseta loss

L.M. Ericsson, the Swedish telecommunications company, said it has signed a 17-million rial (\$4.7 million) contract to set up six large

telephone exchanges in Oman.

Inco Ltd. said it had reached a tentative contract with union negotiators representing 7,377 workers at its nickel operations in Ontario and that ratification votes were scheduled for Thursday.

Japan Line Ltd. said it had reached an agreement with Evergreen Marine Corp. of Taiwan to start a joint trans-Pacific liner service beginning in April, 1986.

Raute Oy of Finland said it had received an order worth over 200 million markka (\$31.1 million) from the Soviet Union for a plant producing wooden prefabricated buildings.

Sunshine Australian Ltd. said it and several other Australian firms had formed a consortium that will sign an agreement with China to explore for oil on Hainan Island in the South China Sea.

New U.S. Orders For Factory Tools Plunged in April

New York Times Service NEW YORK - Orders for American-made machine tools plunged 34.3 percent in April from March and 27.5 percent from April 1984, the industry's trade association said Monday. Analysts blamed the dip on increased foreign competition and the strength of the dollar.

ter surge that was not repeated in April," said James A. Gray, president of the National Machine Tool Builders' Association

the report. The level of new orders of ma-chine tools, which cut or form metal used in products ranging from automobiles to aircraft, is considered an indicator of businesses plans to increase production. Until recently, domestic machine-tool orders have been rising, following

near-record lows in 1983. Net new orders in April slid to a level of \$183.5 million, from \$253.1 million in the same period last year, and from \$279.3 million in March, the report said. Order backlogs rose to \$1.88 billion, from \$1.87 billion

Japan Venture Firms Have an Uphill Battle

(Continued from Page 15)

so companies involved in financing venture companies will back startup businesses, preferring to wait for more established companies, Mr. Yamamoto said. The start-ups usually turn to family or friends.

"The venture-capital business in Japan is still in the cradle," said Teiji Imahara, president of the Japan Associated Finance Company, venture-capital firm founded in

When Mr. Imahara became president of his company six years ago, he went to the United States to learn from the venture capital giants in Boston, New York and San Francisco. He believes that so far the counterparts in Japan fall short.

The government is trying to help some of the more promising venture companies. Ichiro Nakajima of the Ministry of International Trade and Industry said the agency was trying to encourage venture businesses by guaranteeing loans up to \$400,000.

The program, begun 10 years ago, had a shaky start — 85 percent of the companies it tried to help eventually failed. Now, however, the government has learned to be more selective, and more companies have survived, Mr. Nakajima

Most of the companies that do well are led by strong-willed engineers who quit larger companies, such as Mr. Inoue of Japax, who left what he termed the "prison" of Mitsubishi Heavy Industries.

Successful venture businesses with forceful leaders also tend to focus on narrow markets, where their product dominates. An example is the Disco Co. of Hiroshima, which cuts silicon wafers into chips. Disco's machine is used by Texas Instruments, Motorola and Intel. The company has 90 percent of Japan's market and 50 percent of the United States market

Finally, most successful companies stay lean and contract out manufacturing. a strategy employed by Mr. Inoue's companies. Mr. Inoue is proud of his independence from Japan's large companies, his unconventional manage ment style, and products such as scissors with an extra-hard blade that the Bank of Japan uses to destroy old ven bills.

He said he did not want too many employees and encourages staff members to leave if their projects bring in too much money. "I want to become poor and search for new technologies to survive." he

Options Markets Are Linked

its first financial futures exchange, and we think someday a similar arrangement can be worked out there as well.

While Tokyo's proposed exchange will initially only trade Japanese Treasury bond futures, Mr. Melamed expects the ban on trading in overseas futures markets also to be lifted soon, "or the big Japa-nese financial houses wouldn't be having up seats on the Chicago futures exchanges."

The Merc does not expect to benefit from the flood of Japanese bond hedging and speculating in Tokyo or anywhere else, because its rival exchange is the world's lead-states. ing market for long-term Treasury futures and options.

But we are the biggest futures abroad, now deems it prudent to carrier in the UAE.

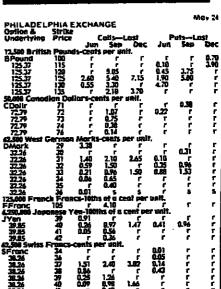
allow their nation's institutional and other money managers to hedge their growing bond portfolios in such markets, then why should they oppose similar risktransfer markets in shorter debi maturities."

Dubai Reportedly Plans To Create Own Airline

BAHRAIN - The Emirate of Dubai plans to establish its own arrline in a move that aviation as sources on Monday described as a blow to recent attempts to coordinate air travel policies among Gulf

The sources said that Dubai, widely seen as the most independent of the seven emirates forming and options market in short-term the United Arab Emirates, had Treasury and private debt issues. agreed to buy two Boeing 737s and such as Eurodollars," Mr. Me- was seeking to buy an Airbus. Gulf lamed said. "If Japan's Ministry of Air, in which the UAE government Finance, which until now has owns a one-quarter stake along steadfastly opposed any kind of with the governments of Bahrain, financial futures trading at home or Oman and Qatar, now is the major

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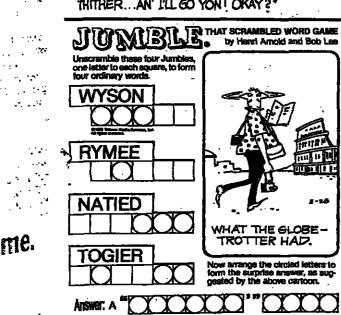
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DENNIS THE MENACE



"MARGARET, YOU COME HITHER, JOEY WILL 60



Jumbies: MINCE EXPEL ANEMIA WIDEST

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PEANUTS THEY LOOK NICE .. IF THESE ARE I'D LOVE TO EVER NEED SOMETHING 'DELETE" 516NS DO IT! | DELETEP, I'LL CALL YOU...

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World Stock Markets

Via Agence France-Presse May 27

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BOOKS

THE FIRST TO LAND

By Douglas Reeman. 294 pp. \$16.95. William Morrow, 105 Madison Avenue, New York, N. Y. 10016.

Reviewed by Martin Morse Wooster

AMERICANS have always thirsted for tales of the British Empire. From the first appearances of Kipling and Conrad to more recent successes by Paul Scott and J. G. Farrell, the current of romances of British imperial intrigue has remained strong. While novels of British imperial decline are more popular at the moment, the English produce a smaller, but steady, flow of adventures describing their imperial successes. Consider the case of Donglas Reeman.

Reeman is a historical novelist, with nearly 30 books published, who specializes in novels about the Royal Navy. For those who like to relive World War II, Reeman has produced more than 20 novels with such fortunght titles as "Go In and Sink!" and "With Blood and Iron." For those who prefer relaxing in the age

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of Napoleon, Reeman has followed in C.S. Forester's wake with 10 nautical novels written under the pseudonym Alexander Kent. And for those who like to bask in the glories of the reign of Queen Victoria, Reeman has begun a third series, of which "The First to Land" is the second volume.

The novel begins in the parlor of Major General Harry Blackwood's Hampshire estate in the waning months of 1899. Blackwood, a veteran of the Crimean War of 1854, is worrying whether he will be the last in his line to have a distinguished military career.

His son, David, is certainly an avatar of the milit ry virtues. As the novel opens, Captain David Blackwood has, at age 27, already won the Victoria Cross, the empire's highest honor, for his gallant actions at the battle of Benin on the present of Africa Post of Africa. the west coast of Africa. Put under his command is his cousin, Ralf, a ne'er-do-well who has already fallen under General Blackwood's stern eye for his gambling debts. Together, the Blackwoods steam toward a new assignment: China, where Chinese Nationalists who are worried that their country is to be divided among the great powers have united to expel the foreign devils. Blackwood's mission is to nid European and American forces trying to break the siege of Peking, where the European legations have been surrounded by the Boxers.

"The First to Land" effect from one project . "The First to Land" suffers from one major flaw. The novel is told entirely from the viewpoint of Blackwood's Royal Marines. Reeman's treatment of women is similarly perfunctory. The heroine, Countess Friedrike von Heiser, whose husband is trapped in the German legation in Peking, is thrown in almost as

an afterthought.
Still, there is much in "The First to Land" to recommend. Reeman does a p.od job in cap-turing the milieux of the period, from the necessity to appear in dress uniforms whenever possible to the camaraderie between soldiers in an age when goals did not have to be defined by memoranda and position papers.

Martin Morse Wooster is Washington editor of Harper's magazine. He wrote this review for The Washington Post.

CHESS

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i2 . . . R-Bi.

By Robert Byrne

T RANQUIL level positions are, for most players, not easy to play The day of the powerful countries as you play The day of the powerful countries as you play The day of the powerful countries as you play The day of the powerful countries as you play the powerful countries are your play the powerful countries as you play the powerful countries are your play the powerful countries are your play the powerful countries as you play the powerful countries are your play the powerful countries and you play the powerful countries are your play the powerful countries and your play the powerful countries are your play the powerful countries and your play the powerful countries are your play the powerful countries and your play the powerful countries are your play the powerful countries and your play the powerful countries are your play the powerful countries and your play the powerful countries are your play the powerful countries and your play the powerful countries are your play the powerful countries are your play the powerful countries are your play t easy to play. They don't excite Black. or inspire and there are problems singling out reasonable Huebner had transposed into a

objectives. It is frustrating to mentally Replacing White's isolated QP with an isolated pawn couple by 16 . . . NxN; 17 PxN work through a line of play and to discover that the end position is as even as the start. This is, of course, just what must be is, of course, just what must be was reasonable, since after expected when a level position 17... B-KB3 it would have is handled correctly by both been difficult for Rivas to get

players. One cannot succeed on the resolute or less alert opponent weakens in the struggle and his backward QBP would be a A

gives you winning chances. game between Robert Black's pressure against his Huebner, a 36-year-old West KN2. German grandmaster, and Manuel Rivas, a 24-year-old Spanish international master, in the Linares International Tourna
KIVAS S 20 F-13-7 was an attributed threatening 40 KKK-rcm:

tempt to create a late-blooming but Huebner got there first was a difficult task after so much madificult task after so m

Miles, the most reliable defense is what Huebner chose in this 28... RxP! game, 4... B-N2; 5P-K3, B-K2. One nuance is that 6 N-B3 would get White little or nothing after 6... N-R4; 7B-N3, up long in the face of P-Q3; 8 B-Q3, N-Q2; 9 Q-B2, 32... P-QN4 and P-N3. Black's idea is to wait 33... P-N5. Accordingly, prudently for 0-0 and only then take the bishop-pair with ... NxB so that White will not be permitted an open lacked force. Instead, he could

will not be permitted an open KR file for his KR. lacked force. Instead, he could have kept the black position

Rivas's 26 P-N4 was an at-

have kept the black position

aggressive use out of his center. 36 . K-K2, 37 Q-N5ch, K-One cannot succeed on the tournament circuit by agreeing to a draw every time a level position comes up. It is necessary to persevere with feinting and tacking about until the less and tacking about until the less replaced by the succession of the vital QB4 square, and any simplification dragged him some of his king by a timely Possession of the vital QB4 square, and any simplification dragged him some of his king by a timely Possession of the vital QB4 square, and any simplification dragged him some of his king by a timely Possession of the vital QB4 square, and any simplification dragged him some of his king by a timely Possession of the vital QB4 square, and any simplification dragged him some of his king by a timely Possession of the vital QB4 square, and any simplification dragged him some of his king by a timely Possession of the vital QB4 square, and any simplification dragged him some of his king by a timely Possession of the vital QB4 square, and any simplification dragged him some of his king by a timely Possession of the vital QB4 square, and any simplification dragged him some of his king by a timely Possession of the vital QB4 square, and any simplification dragged him some of his king by a timely Possession of the vital QB4 square, and any simplification dragged him some of the vital QB4 square, and any simplification dragged him some of the vital QB4 square, and any simplification dragged him some of the vital QB4 square, and any simplification dragged him some of the vital QB4 square, and any simplification dragged him some of the vital QB4 square, and any simplification dragged him some of the vital QB4 square, and any simplification dragged him some of the vital QB4 square, and any simplification dragged him some of the vital QB4 square, and any simplification dragged him some of the vital QB4 square, and any simplification dragged him some of the vital QB4 square, and any square of the vital QB4 square, and any square of the vital QB4 square of the vital QB4 square of the vital QB4 square of

his backward QBP would be a After 36 . . . K-K2; 37 P-liability. However, he under N5, RxP; 38 R-QRI, QxP!, This is what happened in the standably wanted to end there would have been no use interpolating 39 RxRPch, K-Q3, so Rivas tried 39 Q-N7,

Linares International Tournament in Spain.

Against 4 B-B4, which used to be played frequently by the British grandmaster Authony with the intended 28 PxP? because of the smashing the smashing that Unabout Chose in this 28 PxP!

Additicult task after so much material had been exchanged off.

On 26 . . . NxN; 27 QxN, Q-B7ch, Rivas did not care to look at 43 K-N3, Q-B5ch; 44 K-R3, R-R7mate, so he gave up.

Thus, Rivas paused for 6 PKR3 to preserve his QR, but
this gave Huebner the time for
6 . . . P-B4; 7 N-B3, PxP; 8 Q-R6ch, etc. Then, on **Asian Commodities** U.S. Treasury Bill Rates May 24 7.17 7.14 7.59 7,42 7,77 6,18 S&P 100 Index Options Sirito Collectural Price June Sep | Jon Ally Asp Sep | Jon Asp Sep | Tatel call valence (4.25) Total call appe let, 451,542 Total put valence 31,555 Total put upon at, 371,436 RSS 1 Jun... 170.25 170.75 RSS 1 Jly... 169.00 149.00 RSS 2 Jun... 164.00 167.00 RSS 3 Jun... 164.00 167.00 RSS 4 Jun... 164.00 167.00 RSS 4 Jun... 157.00 159.00 RUALA LUMPUR PALM OIL Mediavsian plassetts per 25 tops Prime Rate Cut in Japan TOKYO - Japanese banks an-ComBid Asi
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Ref Bids of 7 nounced Monday a 0.2-percentage point reduction in the long-term prime rate, to 7.5 percent, and a 0.2-point cut in the coupon on their five-year debentures, to 6.6 per-

Company Earnings

cent. Both changes are effective

Revenue and profits, in millions, are in local currencles unless otherwise indicated Thailand Belgivm Toronto Dominion Sicm Cemer Kredietbank ist Quar. 1984 1983 2,290. 1,910. South Africa Canada **United States** Barlow Rand Codifiac Fairview Supermicts Gen. 1984 407.8 623 623 West Germany Moison Cos 1964 1,870. 45.2 1,50 Deut. Lufthansa

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A Little Tax for Dessert?

WASHINGTON — If Ronald most from the \$15 lunch freeze are not the big spenders like myself, nessman's fully tax-deductible who will still dine on shad roe and meal will be savagely cut back to a maximum of \$10 for breakfast, \$15 water, but rather those public serfor lunch and \$25 for dinner per

The first one to check in after the news was leaked was Sarah Booth Conroy of The Washington Post, who demanded to know what I

intended to do if the reform went into effect. I had the impression she was expecting me to go on a . hunger strike.

Ball

The fact of the matter is that I have been preparing for just such an eventuality ever since Buchwald

the Carter administration threatened to abolish the "three martini" husiness lunch.

My plan is to still eat a sensible but filling meal, and use some discretion in regards to whom I entertain. The first thing I intend to do is whittle down the list of people I take to lunch for business reasons, giving priority to those who will provide me with up-to-date fresh news as opposed to those who can only offer good fellowship and a few funny stories. Regrettably I will have to drop old-time favorites such as Joe Califano, Jack Valenti and Lee lacocca, and replace them with hard-news sources like Caspar Weinberger from Defense, George Shultz from State and Bill Casey from the CIA.

Once the list is cut down to the but a certain percentage of expen-"newsmakers," I intend to keep a sive business lunches and dinners sharp eye on what my "business and Casey will be informed in advance they may order up to \$15 worth of groceries, either from column A or column B. After that anything they eat comes out of

their own budgets. One of the big myths of the business lunch is that people consume three martinis at every meal. This is not true. It's more likely that they'll drink up a good bottle of wine instead. Under the new deductible rules my guests will be entitled to one glass of house wine. If they want a higher grade of grape,

vants on fixed incomes who never get to eat a decent lunch unless they are being entertained.

in the restaurant I patronize this would include Pentagon officers, congressional aides, White House "sources" and executive secretaries of the power elite. It's so much nicer to conduct the nation's business in a fancy restaurant than in someone's noisy office. It is no secret in Washington that people are more willing to listen to reason and make compromises over beef Wellington and a '65 Château Latour than they are when chewing on a Big Mac and sipping on a diet

Nevertheless I can see why Ronald Reagan would make business eating such an important part of his tax reform bill. In spite of what the taxpayers say, no one likes to see anyone else in this country get a free lunch.

In some ways I will be rather relieved if the government puts a \$15 limit on my lunches. In the past I had to talk nothing but business while stuffing my mouth. Now with so little money at stake I can relax and talk about anything I want to without fear of losing my shirt.

If I have any problem with the new eating rules it is that they could put a heavy strain on businessmen's marriages and love af-

No one will admit this publicly, are actually meals eaten by wives orders. Weinberger, Shultz and girlfriends of the person signing the check.

The question now arises, will a marriage survive if the spouse is no longer fully tax-deductible? Will love go out the window if a businessman can no longer ply his lady with food and wine in the style to which she has been accustomed?

Will all of us lose our savoir faire when we are spending our own money? These questions are yet to be answered. It's one thing for the president to say we can survive on a \$15 business lunch, and a \$25 dinthey'll be handed a separate check

The people who will suffer the actually do it.

Talk of The New Yorker

When S. I. Newhouse Sr., from

Bayonne, New Jersey, son of an

immigrant garment worker, died

in 1979 at age 84, he left his two

sons, Si and Donald, an empire

judged to be the biggest U.S.

communications conglomerate after ABC, CBS, Time and the

RCA Corp. Unlike those four, it

has no nonfamily stockholders

and no debts. The senior New-

house's death left his sons battling

the government in the largest es-

tate tax case in history, with the IRS claiming \$914 million in tax-es and civil fraud penalties. Si and

Donald are the 17th and 18th

richest men in America, accord-

ing to Forbes magazine.

Donald runs the 29 Newhouse

newspapers and one of the largest

U.S. cable television systems. Si

runs Conde Nast, whose maga-

zines include Vogue, House and

& Garden, Glamour, GQ and Gourmet. In 1980 he bought the

publisher Random House. To

mixed reviews, he has revived Vanity Fair, the fashion and cul-

tural magazine of the 1920s, with

But nothing Si Newhouse has

done since he dropped out of Syr-

acuse University nearly 40 years ago to work in the family business

has caused such a stir as his pur-

chase of the magazine of James Thurber, Vladimir Nabokov, E. B. White, Dorothy Parker,

John O'Hara, J. D. Salinger, John

Cheever, Rachel Carson, John

Updike, John McPhee, and many

On the afternoon the sale was

announced in March, Shawn, a

balding, slightly stooped figure,

addressed the staff in the maga-

zine's decrepit 43d Street offices.

"The editorial staff was not a par-

ty to the negotiations," he report-edly said. "We were not asked for

our approval, and we did not give

cried. Others reacted with anger.

Some of those who listened

ate affront to every artist, writer

in recent weeks, emotions have

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our approval.

INTERNATIONAL

a distinctly 1980s glitz.

By Margot Hornblower Washington Past Service TEW YORK — Si Newhouse understands that he is to be

seen and not heard. No matter that he is worth \$700 million plus and, with his brother, owns the biggest privately held media empire in the United States. This patron of the arts and mover in New York's literary world (and occasional guest at the White House) has bought The New Yorker.

A defiant "Talk of the Town" piece by the magazine's legendary and reclusive editor, William Shawn, 77, put Samuel Irving Newhouse Ir., 57, in his place. "We reassert our editorial independence," wrote Shawn, adding that in the past 60 years neither the first owner, Raoul Fleischmann, nor his son and successor. "ever made an editorial suggestion, ever commented favorably or unfavorably on anything we published or on any editorial direction that magazine was taking, ever permitted the adver-

people to bring any pressure to rear on U.S." Is Newhouse angry? Offended? Sorry that he spent \$168 million only to be so rebuffed?
"It was very elegantly put," he

tising or circulation or accounting

said recently, in his office here. "It was a great opportunity to state for the first time the basic philosophy of the magazine." Hardly handsome, he charms

with a bashful twinkle, a whiff of "Noo Yawk" in the accent and a refusal to act as if he owned a conglomerate valued at between \$1.5 billion and \$2.7 billion.

He speaks of The New Yorker in reverent tones. "I have a good deal of faith in any publication that publishes with integrity, with quality, with imagination. The Yorker has this extraordinary history. Its past can be its

And the man his writers call Mr. Shawn even after 20 years the courtly father figure who was hip enough to write John Lennon's obituary, the myth who for Paul Brodeur, a longtime staff 33 years has read every word that writer, called the sale "a delibergoes into the magazine?

"Mr. Shawn is a very young and editorial staff member." 77," he said. "I found him very vital, intellectually and physical-calmed. Shawn has met several ly. I hope he continues to edit the times with Newhouse and said of

magazine for a long, long time. To say he is there at my sufferwith anyone who comes here to work, to establish a relationship ance would be presumptuous. of mutual trust." Shawn warned He's going to be there because he's Mr. Shawn. the new owner of his impending

Talk of the Town" piece. A few on the staff have spoken out for Newhouse. The drama critic Brendan Gill, resident historian by virtue of his 49-year tenure and his book "Here at The New Yorker," said: "I'm considered Judas Iscariot around here. but it strikes no terror in my heart to think we could become part of the Newhouse kingdom. Gill, a social acquaintance of

the Newhouses, pooh-poohed his colleagues' anxieties: "If Christ risen had bought it, they would be saying, 'Where did he come from?' We've always been a collection of individual eccentrics. It's a function of our character that all change represents the risk of catastrophe." Newhouse may have a spectac-

ular modern art collection in his Upper East Side town house he's a trustee at the Museum of Modern Art - and he may give elegant parties for Alison Lurie and Norman Mailer, but he is the son of a man whom The New Yorker's A. J. Liebling called a "journalist chiffonier," a ragpicker of second-class newspapers, a man, Liebling wrote, with "no political ideas, just economic con-

victions. Gill scoffed, "People like the Newhouses are infinitely more sophisticated and much more intelectually and culturally oriented than 90 percent of the staff of The New Yorker. Si is an intellectual. He's not the head of a shoe con-

glomerate. Did Newhouse have profits or prestige in mind when he bought the 60-year-old magazine, a lessthan-stellar business property with its static circulation of less than 500,000 and its declining ad pages? "At this stage of my life, prestige is not anything I'm into,"

A New Yorker reader since high school, Newhouse said he had had no thought of buying it until an investment banker called in November to tell him that a 17percent interest was available.

He later decided to buy a majority share "because I like The New Yorker. I like to publish. It's an enriching experience aside

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Publisher Newbouse: "An enriching experience."

from the business objectives. I'd grown up in New York. In my life, I'm closely tied to what's happening in this city culturally, po-litically. The New Yorker, through its articles, its reviews, is the whole history of New York City.

Roy Cohn, who was chief counsel for Senator Joseph McCarthy and whose office has six autographed photos of President Ronald Reagan (one inscribed "with deepest appreciation for your love and support"), is Newhouse's best friend. "Tve never seen Si so excited about anything," he said.
"There's an element of class to it which he respects. It's like the crown jewel.'

He predicted that Newhouse would put his stamp on The New Yorker within a year or two. "But Si is the most subtle stamper I've ever met in my life," he added.

Business associates say Newhouse is not one for small talk. The New Yorker is going to find him first-rate," says Robert L. Bernstein, chairman of Random House, who lunches with Newhouse once a week. "He's curious, he asks questions. But he doesn't interfere with the day-today management."

Clay Felker, the founder of New York magazine, said that GQ publisher Steven Florio, who will reportedly take over the business side of The New Yorker, "is a hotshot who will bring aggressive sales and modern marketing to

the selling" of the magazine.

There is, however, fear at the magazine that what Shawn has called its "peculiarities" of management may not survive. Not even the top editors claim to know how many staff writers there are. If there is an editorial budget, no one seems to have heard of it. Writers are not on salary, but are paid - handsomely, by most accounts - through ndividual understandings with Shawn. Writers have offices for years without writing a word. Editors never give writers assignments. Stories are published even

decades after they're written. All this, says Newhouse, is fine with him. "I'm interested in The New Yorker on its own terms," he says. "It is unique in the world.
To transform it into something it isn't - for that, I don't have to buy The New Yorker. I can contribute to its future by maintaining a strong business support to this extraordinary editorial prod-

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The Welsh actor, who died at his Swiss home in August, left £675,000 (about \$845,000) in Britain. His main will, published in Bermuda in March, left the bulk of Burton's \$3.37-million estate to his fourth wife, Sally. In the British will, Burton left 25 percent of the money to be divided equally between his two daughters, Katherine and Jessica Burton, under an agreement made in 1963 with his first wife, Sybil. Other bequests included 10 percent to be given to his adopted daughter. Marie Burton, under an agreement made with the actress Elizabeth Taylor in 1973.

PEOPLE

Reagans Host Tennis

For Drug Abuse Fund

Hollywood stars, professional athletes and political figures swat-ted balls on the White House tennis

court to raise \$450,000 for the Nan-

cy Reagan Drug Abuse Fund. President Rousid Reagan and his

wife Nancy watched the final

match, as the actor John Forsythe

and the tennis pro Pam Shriver

defeated Secretary of State George

P. Shultz and the tennis pro Rescoe

Tanner in a tie-breaker. When For-

sythe blew an easy shot, Shriver

pointed across the lawn and

quipped, "I think the [Washington]

The British will of the actor

Richard Burton includes a clause

stating that anyone who disputed

the bequests would get nothing.

Monument got in the way."

Among other beneficiaries was his old school teacher, Philip Burton, who gave the actor his stage name and received about \$15,000. Burton's real name was Richard Walter Jenkins. Juncal Rivero, 18, of Spain, was chosen Miss Europe early Sunday by a jury in Mainz, West Germany.

The contestants came from 26 En-

ropean countries and from Israel.

An American geographer and a Turkish conservationist are to share this year's \$50,000 Sasakawa Prize for outstanding work on the environment. Gilbert White and Hazan Asmaz will each receive \$25,000 from a \$1-million foundation set up by the Japanese Susakawa shipbuilding group last June. Mostala Tolba, executive director of the United Nations Environment Program, announced the awards at the end of a 10-day meeting of the agency's 58-nation gov-erning council.

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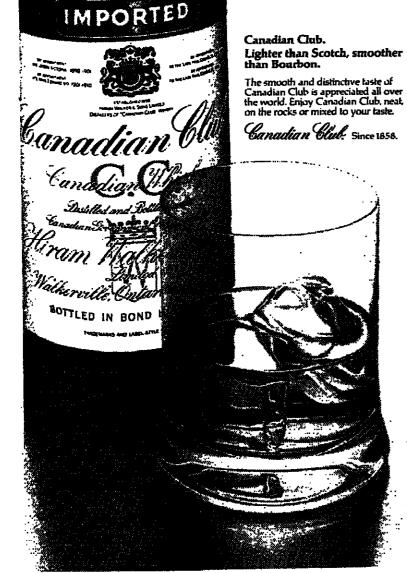
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